

U.S. Agency for  
International  
Development

**1999**

**Agency  
Performance  
Report**

*Full Report*



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# **AGENCY PERFORMANCE REPORT**

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

Washington • 28 February 2000

Center for Development Information and Evaluation



Chapter	Page
<b>Introduction .....</b>	<b>v</b>
About This Report .....	xiii
<b>1. Achieve Economic Growth and Agricultural Development .....</b>	<b>1</b>
I. Overview .....	1
II. USAID Strategies and Program Performance .....	6
III. Agency Objectives by Operating Unit and Region .....	12
IV. Performance by Fiscal Year 1999 Annual Performance Plan .....	13
<b>2. Build Sustainable Democracies .....</b>	<b>31</b>
I. Overview .....	31
II. USAID Strategies and Program Performance .....	34
III. Agency Objectives by Operating Unit and Region .....	42
IV. Performance by Fiscal Year 1999 Annual Performance Plan .....	43
<b>3. Build Human Capacity Through Education and Training .....</b>	<b>51</b>
I. Overview .....	51
II. USAID Strategies and Program Performance .....	54
III. Agency Objectives by Operating Unit and Region .....	58
IV. Performance by Fiscal Year 1999 Annual Performance Plan .....	59
<b>4. Stabilize World Population and Protect Human Health .....</b>	<b>69</b>
I. Overview .....	69
II. USAID Strategies and Program Performance .....	72
III. Agency Objectives by Operating Unit and Region .....	89
IV. Performance by Fiscal Year 1999 Annual Performance Plan .....	90
<b>5. Manage the Environment for Long-Term Sustainability .....</b>	<b>105</b>
I. Overview .....	105
II. USAID Strategies and Program Performance .....	109
III. Agency Objectives by Operating Unit and Region .....	119
IV. Performance by Fiscal Year 1999 Annual Performance Plan .....	120
<b>6. Promote Humanitarian Assistance .....</b>	<b>137</b>
I. Overview .....	137
II. USAID Strategies and Program Performance .....	140
III. Agency Objectives by Operating Unit and Region .....	151
IV. Performance by Fiscal Year 1999 Annual Performance Plan .....	151

## Contents



<b>7. Keep USAID a Premier Development Agency .....</b>	<b>163</b>
I. Overview .....	163
II. Management Initiatives .....	165
III. Performance by Fiscal Year 1999 Annual Performance Plan .....	180

**Annexes**

A. USAID 1999–2000 Reform ‘Road Map’ .....	A1
B. USAID-Assisted Country List, Bilateral Funding, And Country Programs by Strategic Objectives .....	B1
C. Status of Agency Evaluations .....	C1
D. Country Development Trends .....	D1
E. Involvement of Nonfederal Parties .....	E1

**USAID Public Internet Address**  
<http://www.info.usaid.gov>

**Development Clearinghouse**  
<http://www.dec.org>

Vital to U.S. national interests in the post–Cold War world is the maintenance of global economic, political, and social stability. In a world where our democratic values and respect for human rights are central to achieving our foreign policy objectives, the U.S. Agency for International Development (USAID) has played an essential role for the United States in promoting peace and stability worldwide. Managing resources averaging \$7 billion per year (as shown in figures I.1 and I.2), USAID’s focus on its mission has remained strong. The Agency has made progress in three ways. First, its development goals have helped alleviate poverty, support improvements in governance, and open economies in countries emerging from authoritarian rule. Second, it has advanced toward its goals in aiding countries in transition after civil conflict. And finally, the Agency has excelled in providing humanitarian relief to countries in crisis or suffering from natural or man-made disasters.

USAID investments over the past several years are beginning to show important progress in helping improve basic education, health standards, and governance, particularly in Africa. The Agency also has made progress in helping mitigate the impact of the HIV/AIDS pandemic—which is far more than a public health problem. It threatens the very economic and social survival of the continent. USAID’s past emergency assistance to communities emerging from internal conflict has added to the Agency’s capability and

knowledge base on how to address the long-term process of reconciliation and reconstruction, particularly in the Balkans. Opening markets, promoting institutional transparency and human welfare, and creating vibrant civil societies in the former Soviet states—all these initiatives continued to progress well in most USAID-assisted countries in 1999, despite significant obstacles and difficult policy environments. The Agency remains a central source of technical and humanitarian assistance, as needed, to the countries of Latin America and the Caribbean. USAID has played a critical role in supporting transitions in Indonesia, Jordan, and Morocco while continuing to contribute to global economic integration and competitiveness in other countries in the Asia and Near East region. These are only a few of the areas where the Agency saw programmatic progress during 1998–99.

This 1999 Agency Performance Report (APR) presents an overall picture of Agency performance by synthesizing the progress seen in the specific programs in countries and regions benefiting from USAID assistance. The Agency’s six program goal areas and one management goal organize this report. They are economic growth and agricultural development; democracy and good governance; human capacity development; population, health, and nutrition; environmental protection; humanitarian assistance; and management strengthening.

## Introduction

### **Toward Global Stability, USAID’s Essential Role**

Figure I.1. Fiscal Year 1998, by Strategic Goal, All Accounts (in \$millions)

	CSD/DA			Economic Support Fund			SEED			New Independent States			IDA	PL 480	Total
	NOA	CO/R	Total	NOA	CO/R	Total	NOA	CO/R	Total	NOA	CO/R	Total			
Economic Growth and Agricultural Development	414.7	114.0	528.7	1,910.1	64.1	1,974.3	278.5	89.4	368.0	464.7	153.8	618.5		161.7	3,651.2
Democracy and Good Governance	141.9	17.7	159.6	141.0	5.2	146.2	75.5	37.2	112.7	75.0	14.3	89.4			507.8
Human Capacity Development	124.9	16.4	141.3	14.7	1.9	16.6	11.0	4.8	15.8	6.2	0.0	6.3			179.9
Population, Health, and Nutrition	798.5	173.0	971.5	76.1	13.1	89.3	3.4	23.2	26.5	24.8	16.4	41.2			1,128.6
Environment	244.0	46.2	290.2	96.0	73.5	169.5	12.4	2.4	14.7	35.7	19.4	55.1			529.5
Humanitarian Assistance (IDA, PL 480 only)			–			–			–			–	190.3	501.6	691.9
<b>Total</b>	<b>1,724.0</b>	<b>367.3</b>	<b>2,091.3</b>	<b>2,237.9</b>	<b>157.9</b>	<b>2,395.8</b>	<b>380.8</b>	<b>156.9</b>	<b>537.7</b>	<b>606.5</b>	<b>204.0</b>	<b>810.5</b>	<b>190.3</b>	<b>663.4</b>	<b>6,688.9</b>

Notes:

**CSD/DA**—Child Survival and Disease/Development Assistance

**IDA**—International Disaster Assistance

Economic Support Fund includes \$1.2 billion in EGAD cash transfer to Israel.

CSD–NOA was \$550 million.

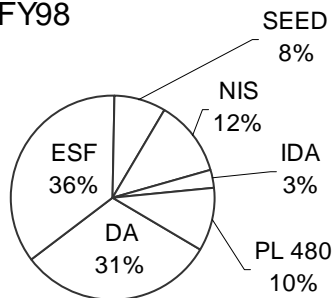
**SEED**—Support for East European Democracy

**CO/R**—Carryover/Recoveries

**NOA**—New Obligation Authority

USAID-Managed Resources by Account

All sectors, FY98



USAID-Managed Resources by Sector

All accounts, FY98

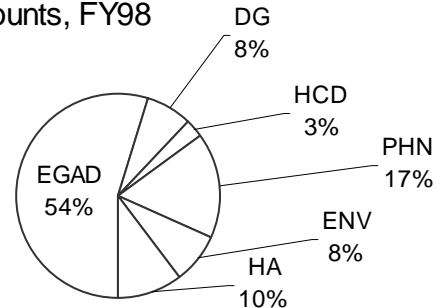


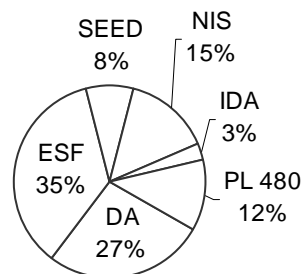
Figure I.2. Fiscal Year 1999, by Strategic Goal, All Accounts (in \$millions)

	CSD/DA			Economic Support Fund			SEED			New Independent States			IDA	PL 480	Total
	NOA	CO/R	Total	NOA	CO/R	Total	NOA	CO/R	Total	NOA	CO/R	Total			
Economic Growth and Agricultural Development	416	50	466	1,889	44	1,932	251	89	340	546	147	693		643	4,074
Democracy and Good Governance	148	25	174	165	30	195	95	26	121	118	28	145			634
Human Capacity Development	131	3	134	76	5	81	73	11	84	52	27	79			378
Population, Health, and Nutrition	846	74	920	106	17	122	8	2	10	88	10	97			1,149
Environment	248	18	266	197	70	267	3	4	8	41	15	56			596
Humanitarian Assistance (IDA, PL 480 only)													200.0	219	419
<b>Total</b>	<b>1,789.0</b>	<b>170.0</b>	<b>1,959.0</b>	<b>2,432.0</b>	<b>165.1</b>	<b>2,597.1</b>	<b>430.0</b>	<b>131.4</b>	<b>561.4</b>	<b>843.9</b>	<b>227.0</b>	<b>1,070.9</b>	<b>200.0</b>	<b>862.0</b>	<b>7,250.4</b>

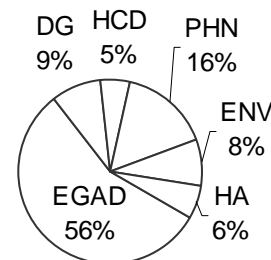
Notes:

Economic Support Fund includes \$1.08 billion in EGAD cash transfer to Israel.  
CSD-NOA was \$595 million.

**USAID-Managed Resources by Account**  
All sectors, FY99



**USAID-Managed Resources by Sector**  
All accounts, FY99





**The donor community has identified USAID as a proactive, innovative proponent of performance measurement. Others are now beginning to develop systems that build on the lessons learned and shared by USAID.**

The fiscal year 2001 Budget Justification (also known as the Congressional Presentation, or CP) is an important companion document to the APR. The CP organizes USAID's results not by goal but by country, regional, and global programs. Hence, to obtain details on what happened in a particular program in a specific country, the CP is the source. To obtain a broad sense of what and how USAID is doing in one of its goal areas, the APR is the source. Both the Congressional Presentation and the Agency Performance Report draw from the same basic performance information—the annual reports prepared by each USAID operating unit. The APR, however, complements program-specific information with data on broader development trends so as to provide a better sense of the larger context in which USAID is working.

It is important to note that USAID's essential role in international development is visible not only from its many field programs. The Agency is also a pioneer among donor organizations in measuring the performance and impact of our efforts and in using this information in decision-making. While we fully recognize the challenges that still remain, the donor community has identified USAID as a proactive, innovative proponent of performance measurement. Others are now beginning to develop systems that build on the lessons learned and shared by USAID.

## ***The First Agency Performance Report Under the Government Performance and Results Act***

The advances we are making toward a systematic analysis and synthesis of Agency performance were inspired by the 1993 Government Performance and Results Act. Under GPRA, all U.S. government agencies are required to develop 10-year strategic plans with specific targets and trends. Each year an Annual Performance Plan (APP) projects the annual benchmarks that will lead to the 10-year goals. An Agency Performance Report addresses the Agency's success in meeting the annual benchmarks.

The purpose, therefore, of this publication, the 1999 Agency Performance Report, is to convey to the President and Congress the Agency's progress in meeting targets set in 1997. Those targets were presented in the fiscal year 1999 Annual Performance Plan. While this is the first Agency Performance Report to which the GPRA requirements have applied, the Agency has prepared six previous annual reports.

Each Agency goal area is discussed in two ways. First, as required by GPRA, we compared actual performance against planned performance as presented in the performance tables contained in the FY99 APP. We reported and analyzed the latest available aggregated data and information.

Second, we have included in a separate section of the report examples of country-level results in each strategic goal area that contribute to achieving

our long-term goals and objectives. This expository information goes beyond the GPRA requirements. This section was added because the highly aggregated goal-level data in the tables does not adequately convey the specifics of what the Agency has supported. While the goals set forth in the Agency Strategic Plan are established centrally, decisions regarding how best to contribute to making progress toward those goals is decentralized to the front-line operating units. This field-driven approach was adopted to accommodate the diverse operating environments within which USAID pursues its mission and goals and to heighten the likelihood of local-level buy-in for the programs funded.

Another reason for discussing results from field programs more fully than envisioned by GPRA is that the aggregated data found in the performance tables does not easily differentiate information about USAID performance per se from that of others participating in the development process. While USAID plays an important role in achieving the high-level development goals set in the FY99 APP, not all changes can be attributed to USAID. The efforts of host-country governments assisted by the donor community will be critical to success in reaching those goals. The global economy and the absence of natural disasters will also heavily influence success.

Since the time that the FY99 APP was submitted in 1997, we have identified several issues that affect its usefulness as a reference point for understanding USAID's aggregate performance during 1999. While these issues are not unique to USAID, the scale of the issue may be different—given that USAID works in so many different countries, all of which have few resources and capacities to

collect consistently good-quality information. They include the unevenness of data availability and quality within and across goal areas, the limited availability of useful annual measures, and the difficulty of capturing and measuring qualitative changes.

We continue to grapple with the important issues of data availability and quality. Annual data for many of the 29 program performance indicators in the FY99 APP do not exist for all USAID-assisted countries, or even for countries where we have programs devoted to specific Agency objectives. For reasons of cost and practicality, in some countries data are typically collected only every three to five years. Therefore, the latest “actual” data reported in this APR are the average of actual data reported in the past year for some countries and “projected actual” data calculated from historical trends in other countries where data were reported at least twice.

As a result of this constraint, the Agency has found it is more useful to make annual assessments of performance by looking at the performance of individual field-based operating units against the specific targets approved in their strategic plans. This information, which is included in the Congressional Presentation, enables us to monitor performance of country-level results that are achievable and manageable within the Agency's mandate, resource levels, time frame, and decentralized programming mode.

We also continue to grapple with how to capture qualitative changes, which are often as important to program success as changes that can be measured quantitatively. Everyone knows that the development of institutional capabilities is important, but no one has developed a

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good way of measuring it. These types of results pose additional challenges for reporting in the format of an annual performance report. As a result of this constraint, the Agency encourages qualitative assessments. It also maintains, in its data base, text that explains what the numbers mean and their limitations.

There are other issues and themes that cut across countries, regions, and goal areas. These crosscutting issues clearly affect the realization of Agency goals but are difficult to isolate for measurement purposes. Examples of such issues are our concern for integrating gender considerations in activities, addressing conflict and transition, developing and strengthening the institutional framework for economic growth and better governance, and being sensitive to how government, the private sector, and civil society interact to address problems—for example, through partnerships. We continue to assess how best to present these themes in the strategic plan and annual performance plan. Thus far, USAID has chosen to address them differently depending on the salient characteristics of each issue, concern, or theme.

For example, gender issues are discussed separately under each goal chapter, where relevant. Fully integrating gender into our programming and reporting systems, rather than segregating it, is proving a more effective means to reach our goals. Restoring economic growth and democracy, fully discussed in the individual goal areas, is also discussed in the humanitarian assistance chapter, since this is much of what we do in crisis and transition countries.

While we may implement the same categories of activities in two separate countries, they may be qualitatively different. A rule-of-law activity in a crisis or transition country may have different objectives from those in a stable developing country. The same situation exists for monitoring the impact of civil society on development. While this theme receives prominence in the democracy goal chapter, Agency goal reviews this past year reaffirmed the importance of civil society as an end and means to all of the technical goal areas. But uniform measures of the impact of civil society are not feasible. Although we believe that this integration of crosscutting themes is appropriate, we recognize the need to find ways to improve the measurement of crosscutting issues.

The Agency's leadership team remains committed to implementing a planning and reporting system that both conforms to GPRA and meets Agency management needs. Significant changes are under way as a result of what we have learned from developing this Agency Performance Report. We began revising our performance goals and indicators in the FY00 APP, intensifying this effort during the development of the FY01 APP. The FY01 APP describes how we plan to collect and make use of both high-level trend (context) data and annual program data in the future. These changes will be reflected in the revision of the Agency's Strategic Plan, which is scheduled for completion by the end of fiscal year 2000. The analysis we are conducting to strengthen our GPRA planning and reporting systems and establish new performance goals is more fully described in the FY01 APP.

## ***Performance Monitoring in USAID: Addressing Different Needs at Different Levels***

As we make progress on better synthesizing and aggregating Agency performance, we will continue to use a variety of tools to track Agency performance. These tools, described in this section, have grown out of a need to ensure that we are addressing foreign policy priorities, Agency goals, country-level conditions, and congressional and administration interests. Over the past year, this package of monitoring tools has given managers an increasingly comprehensive view of Agency performance.

*Operating-unit assessments.* USAID's current system seeks to manage multiple country programs by balancing centrally identified priorities and limited resources. Operating units propose strategies for the countries or regions for which they are responsible, indicating both what could be attained and the resources needed. Following strategy reviews, a management agreement is reached between the operating unit and USAID/Washington. It sets forth goals and indicators for country, regional, or global programs. Operating units submit reports annually (Results Review and Resource Requests—R4s) on progress made toward meeting those goals. Budget allocations are then based on the Agency/regional strategic framework, congressional directives, program performance, need, country commitment, country development strategies, and foreign-policy considerations. Several levels of performance review culminate in the final budget allocation decision.

During this annual review of R4s, USAID considers whether each of its specific programs in countries is on track—or exceeds or falls short of expectations in delivery of planned outputs and results.

*Goal area reviews.* Annually there is an in-depth review of global, regional, and country trends data in each goal area. On the basis of these trends, the content and emphasis of the Agency's regional and global program portfolios is evaluated, followed by an assessment of the need for changes in the Agency's strategy to achieve long-range goals. Findings are also taken into consideration during the budget-planning process at both the regional and Agency level.

*Agency assessment of country allocations.* The Agency analyzes whether the allocation of funds matches country profiles of need, self-help, foreign-policy importance, commitment to reform, and progressive policies. Results of our analysis show that USAID assistance conforms quite well with these guidelines—that is, need, population size, greater political freedom, and better policies and institutional environments correlate closely with country funding allocations. Our own analysis was independently reaffirmed. That independent analysis also concluded USAID was better at matching funds to countries that could make best use of them than were other bilateral donors.

*Evaluations.* The Agency's evaluation system has three tiers: 1) central evaluations conducted by the Agency's central policy bureau, 2) operating-unit evaluations (both impact analysis and operational), and 3) goal-area technical analyses. Central evaluations shed light on the relationships between USAID's

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interventions and the broader development goals that the U.S. government and the broader donor community have agreed upon. They capture Agency experience and lessons learned to inform the strategic-planning and program-design process.

Operating-unit evaluations capture project-level progress and impact as well as performance issues and operational problems. A central research and reference service maintains these evaluations and makes them available to the Agency and its partners. This service facilitates the application of our accumulated experience in future planning.

Goal-area technical analyses are conducted on specialized topics and used to validate or modify program strategies.

## ***In Conclusion***

We believe this report shows the contribution USAID's programs are making to U.S. foreign policy goals related to economic prosperity, humanitarian assistance, democracy and human rights, and the global issues of health and environmental protection. Pursuant to these goals, USAID is improving the lives of millions of people in our partner countries. In addition, the Agency's initiatives to analyze and address the challenges of performance measurement have placed it at the forefront of efforts worldwide to improve the effectiveness of foreign assistance.

## ABOUT THIS REPORT

The 1999 Agency Performance Report fulfills the requirements of the 1993 Government Performance and Results Act and the guidelines from the Office of Management and Budget pertaining to annual performance reports. The report summarizes and synthesizes a vast amount of information on Agency programs managed from Washington and 87 field-based operating units in seven goal areas.

This introduction notes the role USAID plays among donors in building global stability and in addressing the performance measurement challenges found in international development programs. It describes the various ways USAID monitors performance of its programs.

Each chapter of the report is devoted to one of the seven Agency strategic goals, as identified in the 1997–2007 Agency Strategic Plan and the fiscal year 1999 Annual Performance Plan. Each of the first six chapters has four sections: I) Overview, II) USAID Strategies and Program Performance, III) Agency Objectives by Operating Units and Region, and IV) Performance by Fiscal Year 1999 Annual Performance Plan.

Section I, Overview, gives the reader background information on the strategic goal area and its importance in promoting development. It describes the benefits the American public receives from U.S. involvement in the strategic area. In response to comments from Congress about past Agency performance reports, we have also included a table showing the other donors and U.S. government agencies pursuing programs

that contribute to achieving international goals in the areas directly related to Agency objectives in each goal area.

Section II, USAID Strategies and Program Performance, summarizes the strategies pursued to achieve Agency goals and objectives. It gives examples of achievements in each strategic area reported by the Agency's operating units. This section provides insight into the heterogeneous environments within which our programs operate and the diversity of program approaches that exist to achieve objectives. Section II provides an important contrast to section IV, which addresses progress in the context of the FY99 APP performance goals. The examples of program performance in section II touch many aspects of our rich programming worldwide. In this way, it more accurately represents the significant level of progress achieved by Agency programs than does the brief discussion in section IV of *actual performance* to *planned*, based on the format used in the FY99 APP.

Section III, Agency Objectives by Operating Unit and Region, contains a table showing the distribution of field-based Agency programs by region for each Agency objective in the goal area. The relative emphasis of programs within the region as well as Agencywide reflects our use of individualized country programming in achieving Agency goals.

Section IV, Performance by Fiscal Year 1999 Annual Performance Plan, includes each of the performance tables from the FY99 APP, with the most recent data. To address GPRA require-



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ments and the OMB guidance, separate subsections are devoted to the following: an analysis of performance based on a comparison of *actual* with *planned* levels of performance, achievements beyond targets, planned actions for unmet FY99 targets, revisions to the FY00 APP, and adjustments in the FY01 APP. Data reported in the performance tables are the latest available from USAID-assisted countries. Because the countries assisted by USAID are not the same from year to year (owing to such factors as country graduations), *baseline* data in the 1999 Annual Performance Report cannot be compared with the baseline shown in the FY01 APP data tables.

The annexes include valuable references on Agency reforms; country and regional programming; country-specific

economic, political, and social data sets; Agency evaluations; and the involvement of nonfederal parties in the preparation of the report. Information included in those last two annexes is required by GPRA.

For those interested in learning more about USAID, the Agency's Web site is <http://www.info.usaid.gov>. The Web site for USAID's Development Experience Clearinghouse electronic library is <http://www.dec.org>. Readers are encouraged to refer to these Web sites for the Agency Strategic Plan, Annual Performance Plans, and Agency Performance Reports. Here readers will also find the most current information about country-specific programs, statistics, evaluations, and nearly 100,000 other documents describing USAID's activities.

## I. Overview

Broad-based, equitable economic growth brings benefits to all groups in society, including the poor, the disadvantaged, and the marginalized. It also maximizes the capital formation potential of a country. Three primary factors help determine whether countries can achieve broad-based growth and reduce poverty. They are 1) a policy environment that promotes efficiency and economic opportunity for all, 2) soundly organized and managed institutions, and 3) good governance. Together, these elements result in widespread increases in income, employment, and output. And that leads to reduced poverty, increased food security, and higher standards of living, including better health and education. For transitional countries (i.e., those making the transition from planned to free-market economies such as those in Europe and Eurasia), broad-based economic growth is associated with enhanced political stability and successful transition to market-oriented societies.

Most people in the poorest countries derive their livelihoods from agriculture. Therefore, in the least developed countries, the transformation of agriculture and food systems is an essential aspect of broad-based economic growth. The shift from subsistence agriculture to production for off-farm markets and consumers contributes to a more prosperous rural environment, additional opportunities for employment, and economic progress throughout the economy, as well as enhanced food security.

Women play a central role in broad-based economic growth and agricultural

development. In addition to their direct contribution to agricultural production and income generation, women contribute to economic growth indirectly through their household maintenance and child-rearing roles.

To achieve the goal of *broad-based economic growth and agricultural development (EGAD)*, USAID undertakes programs to expand and strengthen private markets, encourage more rapid and enhanced agricultural development, and expand access to economic opportunity for the rural and urban poor. A strong policy environment and strong institutions within recipient countries are the most important determinants of the overall success of USAID programs. Thus, the Agency will continue to place a high priority on EGAD programs that address policy and institutional reform.

Recipients of foreign assistance are making economic and development progress. A recent paper by a USAID economist examined nearly 30 years' worth of data on foreign aid recipients. Between 1965 and 1990, 41 countries that were considered developing, accounting for 2.1 billion people, achieved an average annual rate of growth of per capita income of 3.3 percent.<sup>1</sup> Another USAID Special Study reviewed 45 years of indicators of well-being of people in developing countries. The study found that throughout the developing world, people are living longer lives, eating better, and are far more likely to be literate than ever before in history.<sup>2</sup> These studies provide compelling arguments that past development

# 1

## Strategic Goal 1:

### Achieve Economic Growth and Agricultural Development

cooperation efforts succeeded and that further gains are achievable.

The success of donor programs such as USAID's depends primarily on working with countries to assist them with their

own fundamental efforts at reform. The main determinants of developing-country economic growth performance are their policies and institutions and their commitment to strengthen those policies and institutions. Indeed, World Bank analysis indicates that host-country policy performance and self-help efforts are the most important factors in the effectiveness of donor programs, across a broad range of aid efforts. Preliminary Agency analysis of USAID-assisted countries and programs comports with this finding.

The same World Bank analysis also indicates that aid programs can achieve the best results in promoting growth and reducing poverty by aiming at systemic policy and institutional improvements in host countries.<sup>3</sup> USAID, in concert with other donors, plays an important role in supporting the broad range of host-government policy reform efforts (including macro, micro, and sectoral, as well as the ongoing details of these policies), in strengthening institutions, and in adapting programs to local conditions. USAID's impact can be considerable, given the Agency's track record on these issues since the 1980s, as well as our ongoing (though diminishing) field presence.

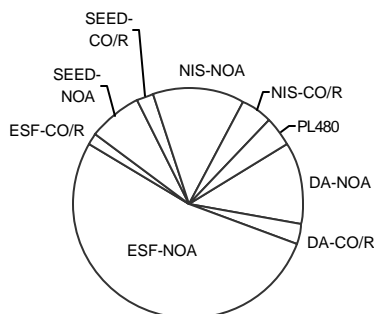
Issues relating to the links between growth, inequality, and income distribution will receive more careful attention and analysis by USAID over the next year. Specifically, the degree to which and how overall economic progress benefits women, the poor, and other disadvantaged groups represents a set of important strategic issues in which there is still a substantial divergence of views. The disaggregation of performance data, such as that recommended in the

**Figure 1.1. USAID-Managed Funds by Strategic Goal**  
*Achieve Economic Growth and Agricultural Development*

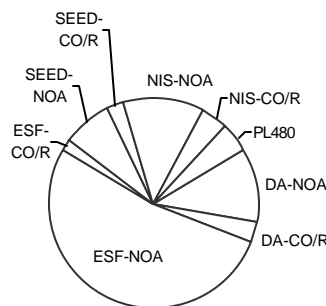
All Accounts	Fiscal Year 1998		Fiscal Year 1999	
	\$US millions	Percent of total	\$US millions	Percent of total
<b>Development Assistance</b>	<b>529</b>	<b>14</b>	<b>466</b>	<b>11</b>
New Obligation Authority	415	11	416	10
Carryover/recoveries	114	3	50	1
<b>Economic Support Funds</b>	<b>1,974</b>	<b>54</b>	<b>1,932</b>	<b>47</b>
New Obligation Authority	1,910	52	1,889	46
Carryover/recoveries	64	2	44	1
<b>SEED</b>	<b>368</b>	<b>10</b>	<b>340</b>	<b>8</b>
New Obligation Authority	279	8	251	6
Carryover/recoveries	89	2	89	2
<b>NIS</b>	<b>619</b>	<b>17</b>	<b>693</b>	<b>17</b>
New Obligation Authority	465	13	546	13
Carryover/recoveries	154	4	147	4
<b>IDA</b>	—	—	—	—
<b>PL 480</b>	<b>162</b>	<b>4</b>	<b>643</b>	<b>16</b>
<b>Total</b>	<b>3,651</b>		<b>4,074</b>	

Note: Economic Support Funds include \$1.2 billion in EGAD cash transfer to Israel in FY98 and \$1.08 billion in EGAD cash transfer to Israel in FY99.

**Fiscal Year 1998**



**Fiscal Year 1999**



Agency's Gender Plan of Action, should help shed light on the differential effects on these groups.

Despite these limitations, USAID has been achieving significant results in EGAD. The broad performance goals the Agency defined in its fiscal year 1999 Annual Performance Plan are listed later in section I. These goals set the development context and vision for the Agency to work (along with the rest of the development community) toward long-term achievements such as stimulating growth, reducing poverty, and opening and expanding markets. Through specific country programs, USAID attempts to maximize the impact of Agency EGAD resources by choosing and concentrating on important areas where the Agency has a comparative advantage and can have impact. Section II provides examples of USAID's country-specific accomplishments over the last year.

Under the 1999 performance plan, USAID promotes the goal of *broad-based economic growth and agricultural development* through approaches and programs that contribute to three broad Agency objectives. They are 1) critical private markets expanded and strengthened, 2) more rapid and enhanced agricultural development and food security encouraged, and 3) access to economic opportunity for the rural and urban poor expanded and made more equitable.

## ***Benefits to the American Public***

USAID promotes economic growth and agricultural development around the world not only to help the disadvantaged but also because doing so benefits Americans. When developing-country economies become more open, expansive, and market oriented, global demand for U.S. goods and services increases.

For example, owing to trade liberalization, U.S. exports to Central America have nearly doubled since 1992 to almost \$10 billion. They support 200,000 American jobs.<sup>4</sup> U.S. exports to developing countries (including some in Europe and Eurasia) in 1998 amounted to roughly \$275 billion. Although this figure is down somewhat from the previous year, exports to these countries have been growing at a rate of 9 percent over the decade ending in 1998. In comparison, U.S. exports to industrial countries grew at only 6 percent during the same period.<sup>5</sup>

Economic growth also helps reduce widespread and extreme poverty. Economic stagnation contributes to political instability and worsens global and transnational problems such as rapid population growth, accelerated environmental degradation, drug trafficking, and the spread of infectious and communicable diseases.

**Economic stagnation contributes to political instability and worsens global and transnational problems such as rapid population growth, accelerated environmental degradation, drug trafficking, and the spread of infectious and communicable diseases.**

## ***Fiscal Year 1999 Agency EGAD Performance Goals***

The fiscal year 1999 APP contains five performance goals USAID developed to assess country progress:

- Average annual growth rates in real per capita income above 1 percent achieved
- Average annual growth in agriculture at least as high as population growth achieved in low-income countries
- Proportion of the population in poverty reduced (supporting the Organization for Economic Cooperation and Development's Development Assistance Committee target of a 50 percent reduction in the proportion of people in poverty by 2015)
- Openness and greater reliance on private markets increased (as indicated by increased economic freedom, expanding trade, and increased direct foreign investment)
- Reliance on concessional foreign aid decreased in advanced developing (middle income) countries

These goals are couched in terms of country-level development targets and trends. USAID programs, formulated under three main EGAD objectives (see section II), contribute to the achievement of each of these performance

goals. The goals complement those endorsed by the United States as a member of the Development Assistance Committee.

Links between Agency programs and these outcomes are well established in theory and practice. Yet the unique contribution of USAID programs is difficult if not impossible to isolate and measure. Progress at the aggregate level of performance (represented by the goals) must be attributed mainly to development cooperation overall, rather than to individual and limited USAID efforts. In particular they are attributable to the will and commitment of the host country. Thus the performance goals are obviously beyond the Agency's manageable interests.

USAID has analyzed operating-unit indicators to explore the feasibility of producing a useful set of Agency performance measures. It has been a challenge to develop a coherent set of EGAD performance measures that simultaneously 1) are common, 2) cover a significant number of USAID programs, and 3) are within the Agency's manageable interest. We are analyzing clusters of program themes and seeking performance measures that appear to meet these guidelines.

The Agency will continue over the next year to explore how indicators that capture these themes may evolve into a useful set of performance measures. The current performance goals will continue to provide the "country context" that clearly depicts the development progress we aim to support.

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## ***Involvement of Other Donors and U.S. Government Agencies***

USAID implements its programs with other U.S. government agencies and alongside other donors. A list follows of some of the major donors and implementing partner agencies working on EGAD programs in transitional and developing countries around the world. This list is by no means comprehensive; it does show that USAID is but one actor among a large community of development organizations.

### **Multilateral Donors And International Organizations**

- World Bank
- European Bank for Reconstruction and Development
- United Nations Development Program
- Inter-American Development Bank
- Asian Development Bank
- African Development Bank
- European Commission

### **Major Bilateral Donors**

- Japan
- France
- Germany

### **U.S. Government**

- Department of Treasury
- Department of Agriculture



## II. USAID Strategies And Program Performance

This section describes USAID's program accomplishments within the context of the performance goals listed in section I. It illustrates how the programs influence the overall economic growth environment of recipient countries.

### ***Overview of USAID Programs Supporting The Performance Goals***

USAID supports broad-based economic growth and agricultural development through programs directed at the three broad Agency objectives:

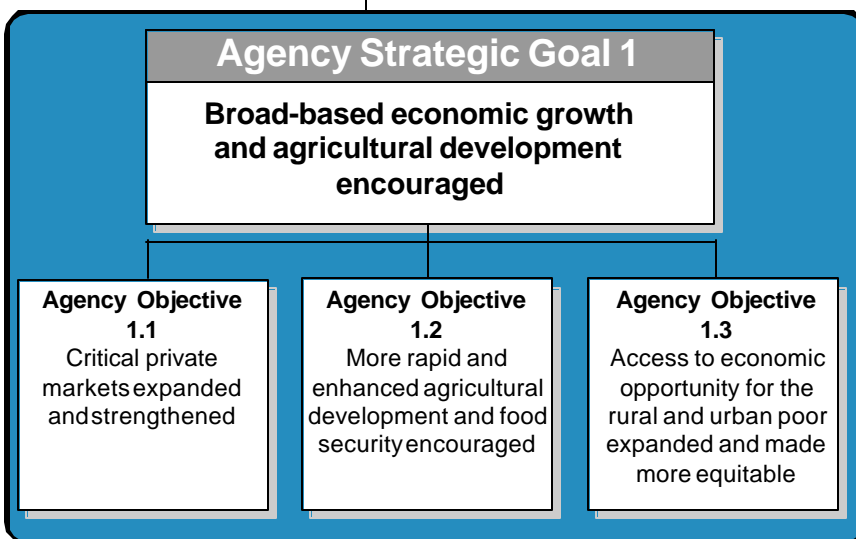
- Critical private markets expanded and strengthened
- More rapid and enhanced agricultural development and security encouraged
- Access to economic opportunity for the rural and urban poor expanded and made more equitable

### ***Agency Objective 1.1: Critical Private Markets Expanded And Strengthened***

USAID's programs under this objective contribute directly to the performance goal of *openness and greater reliance on private markets*. The Agency has programs in 56 countries that seek to promote greater openness and reliance on private markets. USAID seeks to improve policies, strengthen institutions, and stimulate development of the private sector as the engine of growth. We work in such critical areas as privatization; trade and investment regimes; legal, regulatory, and judicial issues; and development of financial markets responsive to the needs of private sector investors.

### **Improving the Policy, Legal, and Regulatory Framework**

USAID programs support the development and implementation of pro-growth fiscal and monetary policies. They accomplish this through policy dialog, assistance in the development of legislative and regulatory frameworks, and improvements in the capacity of private sector actors to participate in the policy dialog. Of 115 strategic objectives around the Agency contributing to strengthening private markets, 65 (57 percent) are directed at improving the policy, legal, and regulatory framework for economic growth. This is particularly true in **Europe and Eurasia**, which accounts for over half of these



policy, legal, and regulatory strategic objectives.

USAID works with other donors and U.S. government agencies to improve fiscal management. Toward this objective, the Agency promotes adoption of improved budgeting procedures, revision of tax laws and revenue collection practices, and development of the capability for effective regulation of banking institutions and financial markets. Policy, legal, and regulatory programs recorded substantial progress in 1998, with significant reforms implemented in such countries as **Bulgaria**, the **Dominican Republic**, **Georgia**, **Ghana**, **Guyana**, **Hungary**, **Mongolia**, **Poland**, and **Ukraine**.

In Eurasia, notable success was achieved in **Armenia**, **Georgia**, **Kazakhstan**, **Kyrgyzstan**, and **Moldova** in liberalizing prices, in removing trade restrictions, and in making first-round reforms in privatizing small-scale enterprises. In Europe, progress was made in **Albania** (despite the civil war) in advancing commercial law legislation. In **Bulgaria**, USAID's private enterprise development program fostered an improved policy and regulatory environment for small business development. It contributed to an increase in the private sector's share of gross domestic product (GDP) from 55 percent in 1997 to 65 percent in 1998.

In Latin America and the Caribbean, notable successes in policy reform were recorded in the Central America Program. USAID provided assistance to countries in Central America for the drafting of new legislation and regulations essential to the creation of a climate conducive to private investment in energy and telecommunications. The Agency supported modernization of the

regulatory framework for the energy and telecommunications sectors in **El Salvador** and **Guatemala**. That support made possible more than \$2.6 billion in private investment in the now privatized segments of those industries over the last two years.

## Advancing Trade And Investment

USAID also works to strengthen private sector growth through trade and through domestic and foreign investment. In 31 countries, USAID technical assistance and training promotes improved business and management practices. This assistance also empowers businesses to seize both domestic and international opportunities. Moreover, it develops partnerships to overcome impediments to private sector expansion—impediments such as lack of access to domestic finance, inadequate foreign investment, and an absence of international standards.

In Asia and the Near East, USAID's largest program, **Egypt**, is also one of its most successful. This program shows that where the recipient government makes a commitment to reforms, donor programs can have a significant effect on policies and on strengthening institutions—with visible results.

Concentrating on accelerated private sector-led, export-oriented growth, the program played a significant role in supporting Egypt's economic turnaround in the 1990s. The program promotes macroeconomic and agricultural policy reforms through policy dialog. It also supports the transfer and utilization of technology, management practices, and market information to Egyptian private sector exporters of horticultural and other nontraditional

**In 31 countries, USAID technical assistance and training promotes improved business and management practices.**

exports. In 1998, stimulated by growth in private sector nontraditional products, Egypt's economy grew by 5 percent, and the private sector's share of GDP rose to 70 percent.

In Africa the Agency has successful programs that aim to increase nontraditional exports and foreign exchange earnings in Ghana, Kenya, **Malawi**, and **Uganda**. In **Kenya**, USAID assistance led to growth in horticultural exports—up by 12 percent in 1998. In **Ghana**, the Agency has directed its efforts at two primary objectives: improving the policy and regulatory environment for nontraditional exports, and enhancing the capacity of exporters to enter international markets through the support of business and managerial services. Growth in the nontraditional exports sector has averaged 20 percent a year since the program began in 1992. In 1998, nontraditional exports reached nearly \$400 million.

In **Latin America and the Caribbean**, USAID's regional program supports the initiative known as the Central American Participation in the Free Trade Area of the Americas. That support has contributed to the adoption of a more outward-oriented regional integration model. It is characterized by lower tariffs, faster implementation of World Trade Organization commitments, and fewer nontariff trade barriers.

The Agency also has programs in **Albania, Armenia, Georgia, Jordan, Sri Lanka**, and the **West Bank–Gaza** that seek to improve the policy and regulatory climate for direct foreign investment and promote more exports by developing partnerships with foreign investors.

In **Armenia**, the 1998 passage of the Armenian Civil Code, facilitated by USAID assistance, was hailed as a major accomplishment. USAID has also helped Armenian firms make the transition to international standards of accounting. Results have been impressive: direct foreign investment rose from \$51 million in 1997 to \$140 million in 1998.

In **Georgia** the Agency has a similar program of policy, legal, and regulatory reform. It achieved a number of results in 1998. They include adoption of legislation approving international standards of accounting and auditing and adoption of a progressive privatization law for urban industrial land.

## **Strengthening Financial Markets**

The Agency works in 32 countries to promote development of private financial institutions (such as banks and stock exchanges) that mobilize resources for private investment. These activities include 1) developing depositories and clearinghouses, 2) computerizing settlement systems, 3) strengthening the capacity of these private institutions to regulate themselves, and 4) improving the ability of financial institutions to provide financial services to private customers. USAID's approach is to strengthen the twin pillars of financial intermediation: *commercial banking* and *capital markets*.

In **Europe and Eurasia**, USAID has responded to the challenge of transforming financial institutions from serving as funnels for centrally determined investment plans into conduits for the efficient mobilization and allocation of capital between savers and

investors. The Agency has financial sector programs in 15 countries in the region that strengthen both the banking sector and financial markets. Programs in 11 of the 15 countries report meeting or exceeding program expectations. In **Africa**, USAID has financial sector programs in nine countries mobilizing savings, expanding access to credit, and reforming financial markets.

### ***Agency Objective 1.2: More Rapid and Enhanced Agricultural Development and Food Security Encouraged***

USAID strategies to help achieve the performance goal of *increased per capita agricultural growth rates* rest on approaches that, among other things, seek to 1) improve incentives for farmers and other agricultural entrepreneurs and 2) strengthen public, private, national, and international institutions that support agricultural development. Programs under this objective emphasize improving agricultural- and food-related policies, strengthening support institutions, stimulating agricultural research, and promoting transfer of appropriate technology.

### **Improving Agricultural And Food Policies**

Of the 48 programs in Africa, Asia and the Near East, Europe and Eurasia, and Latin America and the Caribbean that contribute to this Agency objective 1.2, 39 seek to improve policies that provide incentives for farmers. Programs range from high-level dialog with governments on agricultural policy reforms as in **Egypt, Ethiopia, Honduras, Malawi, Mozambique, and Peru** to reforms of specific agricultural com-

modity, land, credit, and input markets as in **Albania, Ethiopia, Kenya, Moldova, Peru, and Ukraine.**

In **Africa**, per capita food grain production continues to increase, reversing downward trends. These productivity increases, in turn, are yielding higher farmer incomes. That allows for increases in consumption that ensure food security. Higher value agriculture also has risen in importance, leading to crop diversification, including more export crops. USAID-supported market liberalization in **Mozambique** combined with direct assistance to farmers and rural entrepreneurs resulted in a 44 percent increase in the volume of maize marketed by households in 1998. At the same time, prices received by maize farmers rose by 65 percent. The value of cashew exports reached \$35 million, exceeding the \$33 million program target.

### **Strengthening Support Institutions**

USAID has 35 programs worldwide that strengthen institutions that support agricultural development. Typical of Agency support are programs that develop indigenous organizations that provide marketing and technological services to farmers and agribusinesses. This has occurred in **Bolivia, Egypt, El Salvador, Eritrea, Ghana, Guatemala, Haiti, Honduras, Kenya, Malawi, Mozambique, Nicaragua, Peru, Uganda, and Zambia.**

In **Asia and the Near East**, USAID's program in **Egypt** supported the development and strengthening of private sector institutions that support agricultural development. Most notably, the Agency helped establish several

**In Africa, per capita food grain production continues to increase, reversing downward trends. These productivity increases, in turn, are yielding higher farmer incomes.**

Research is the primary source of new technology—as well as of information that leads to improved policies.

private trade associations related to seed, horticulture, and fertilizer. The associations will jointly formulate and advocate policy decisions.

USAID's program in **Kenya** supports agricultural research and policy reform through long-term partnerships with the Tegemeo Institute of Agricultural Policy and Development and the Kenya Agricultural Research Institute. The Tegemeo Institute participated in policy dialog on maize market liberalization. That contributed to progress made in increasing farmers' ability to receive good prices for their crops. The share of the wholesale price received by maize farmers increased to 92 percent in 1998 from 82 percent in 1997. The Kenya Agricultural Research Institute's seed-development program issued 29 new horticultural varieties in 1998; farmers producing for export have already adopted 11 of them. Overall, horticultural exports grew by 12 percent during 1997–98.

### **Promoting Agricultural Research**

Increased agricultural productivity depends heavily on the development and spread of new and improved technologies. Research is the primary source of new technology—as well as of information that leads to improved policies. Internationally, USAID sponsors 17 public international agricultural research centers and 10 Collaborative Research Support Programs involving numerous American universities. These programs cooperate with national programs in developing countries. Results of this collaboration can be found in the development and distribu-

tion of improved (e.g., higher yielding, more disease and pest resistant) crop varieties in developing countries. A review completed in 1998 concluded that the average rate of return for agricultural research such as this was 56 percent.<sup>6</sup> This figure represents an excellent return on investment and compares favorably with returns in industrial countries.

### **Promoting Technology Transfer**

Many USAID programs (19 of 48 in agriculture) promote the development and transfer of improved agricultural technologies in agricultural production, storage, and marketing. Activities that reflect this approach include improving dairy processing in **Lebanon**, improving land-use practices in **El Salvador**, **Guatemala**, and **Haiti**, and adopting sustainable farming practices in **Guinea** and **Zambia**.

In **Haiti** the hillside agricultural program now reaches more than 166,000 farms (20 percent of the total) and in 1998 increased real income by 17 percent. The program further expanded into strategic watersheds. In these areas it promotes soil and water conservation and the planting or improving of more than 6.8 million trees, including those producing export-quality mango. In **Guatemala**, the Agency in 1998 helped a thousand farmers switch from slash-and-burn subsistence agriculture to organic agriculture and agroforestry techniques. By intercropping pineapples, fast-growing trees, and corn, farmers increased earnings by more than \$207 per hectare during 1997–98.



### ***Agency Objective 1.3: Access to Economic Opportunity For the Rural and Urban Poor Expanded and Made More Equitable***

The first two objectives relate primarily to expanding incomes across the board, without special reference to target groups. They also contribute generally to the performance goal of reducing poverty. Objective 1.3, by contrast, aims *specifically* at alleviating poverty. It contributes to this outcome by improving the distribution of income so that women, the poor, and other disadvantaged groups might participate more fully in overall income growth.

The Agency provides targeted assistance particularly by supporting measures that encourage microenterprise and small business development. These activities aim to expand microentrepreneurs' access to financial services and to increase incomes, particularly for groups such as women and the poor. Microenterprise finance is the leading activity under this objective. USAID manages 51 programs that promote expanded and more equitable access to economic opportunity for the rural and urban poor. Of these, 42 seek to improve access by microentrepreneurs to financial services. Thirty promote legal and regulatory environments that support micro, small, and medium-size enterprises.

In Africa, programs in **Mozambique, South Africa, Tanzania, Uganda, Zambia, and Zimbabwe** promote development of microenterprise activities among the rural and urban poor. In **South Africa**, USAID's program

combines the reform of policies and regulations that hinder the expansion of microfinance institutions with support to microenterprises in developing financing requests. To date, nearly 23,000 microenterprises have been able to access loans totaling \$8.1 million.

In Asia and the Near East the Agency promotes development of the microenterprise and small business sector in **Morocco** through its support to the newly established Al Amana lending institution. In 1998 alone, Al Amana added 24 branch offices to the 3 opened in 1997 and hired 64 new credit agents. The institution approved 9,150 loans in 1998 totaling \$2.25 million. USAID has similar programs in **Bangladesh, Cambodia, India, Jordan, Lebanon, and the Philippines.**

In **Europe and Eurasia**, USAID promotes the development of small and micro enterprises in 16 countries of the region, including those in the Caucasus, Central Asia, and the Balkans. These programs provide sustainable access to financial services by those not served by the commercial banking sector and have demonstrated that small and micro loans can create and sustain jobs and promote prosperity in these transitional economies. In countries where conflict has upended economies and created thousands of refugees, these programs have helped reintegrate war-affected populations. They have allowed struggling microentrepreneurs to make ends meet for their families.

In Latin America and the Caribbean, USAID's program in **Ecuador** seeks to expand lending by private commercial banks to microenterprises, which have traditionally had difficulty obtaining formal financing. In 1998, the Agency



leveraged public and private capital to support Banco Solidario, Latin America's first fully private bank established expressly to serve the microenterprise sector. Banco Solidario now has over 13,000 active clients, of which more than half are women. USAID also has microenterprise development programs in **Bolivia, El Salvador, Guatemala, Guyana, Honduras, Jamaica, Nicaragua, and Peru.**

These three economic growth objectives collectively contribute to the performance goal of growth in per capita incomes and reducing poverty. Over the long run, sustained economic growth and higher per capita incomes lead to

reduced dependence on foreign assistance, USAID's fifth performance goal under economic growth and agricultural development. For example, after nearly 30 years of sustained economic growth, at least 25 countries, formerly labeled developing countries but now considered advanced, have graduated from foreign assistance for development purposes (some still receive aid for foreign policy reasons). This roster includes **Chile, Costa Rica, Korea, Malaysia, Thailand, Tunisia, Turkey, and Venezuela.** Some of these countries are now donors themselves, including **Greece, Korea, Singapore, Taiwan, Thailand, and Turkey.**<sup>7</sup>

### III. Agency Objectives By Operating Unit and Region

Table 1.1 shows the relative priorities and concentration of each Agency objective within each region. Within **Africa** the emphasis on the three Agency objectives is equivalent, while operating units in **Europe and**

**Eurasia** with EGAD strategic objectives all concentrate on strengthening private markets. There is less emphasis in the region on the other two Agency objectives.

**Table 1.1. Agency Objectives by Operating Unit and Region**

	<b>Africa</b>	<b>ANE</b>	<b>E&amp;E</b>	<b>LAC</b>	<b>Total</b>
<b>Total operating units</b>	29	16	25	17	87
<b>Total field-based with EGAD objectives</b>	21	12	23	15	71
Critical private markets strengthened	15	10	23	12	60
Agricultural development and food	16	8	11	10	45
Security access to economic opportunity for the rural and urban poor	14	11	11	10	46

*Note:* This table shows field-based operating units with strategic objectives in support of the EGAD goal and Agency objectives. Operating units may have more than one EGAD strategic objective. In addition, some of the operating units' strategic objectives support more than one Agency goal or objective. See annex B for details on distribution of programs in field-based operating units.

## IV. Performance by Fiscal Year 1999

### Annual Performance Plan

In this section, data for performance goals and their respective indicators are presented by USAID region. An analysis examines the most recent data available for each goal. The most recent actuals are compared with both baseline year data and 1999 targets that were set in 1997 when the FY99 APP was written. In most cases, 1999 actual data are not yet available. Therefore, assessments as to whether regions met their targets should be considered tentative until target-year actuals are available.

The performance goal indicators generally capture trends over three- to five-year periods using the most up-to-date information available. Thus, for the performance goal of average annual growth in per capita income above 1 percent, the FY99 APP used the number and percentage of countries in each region that had achieved that level over 1992–96 as a baseline. The APP then set forth expected regional performance (targets) for the corresponding period several years hence (in the case of per capita income growth, 1995–99).

Targets for improved performance were based on the following: 1) observed improvements in country policies and the expectation of further improvements; 2) observed improvements in regional and international conditions from the early to the mid-1990s; 3) judgments about the potential for improved country performance; 4) consideration of the magnitude of the gaps between country performance levels and performance goal thresholds (e.g., 1 percent growth); and consideration of trends within the base period. In the latter case, for example, many

Europe and Eurasia countries failed to achieve the growth performance goal threshold for 1992–96. However, in almost all cases, growth rates were improving over the period 1992–96. The performance targets vary by region, accounting for these sorts of considerations.

In all cases the expectations revolved around country performance for the set of 1997 USAID-assisted countries in each region, rather than USAID program performance. As emphasized earlier, the performance goals are clearly beyond USAID's manageable interest. They are mainly attributed to development cooperation overall, particularly the will and commitment of the host country.

### *Overall Comparisons Of Performance*

Across all regions, most of the existing performance goals have been met or are on track to being met. All regions have been making significant progress in per capita income growth rates, although **Europe and Eurasia** and **Latin America and the Caribbean** may not meet the fiscal year 1999 Annual Performance Plan targets. All regions have either met or are on track to meeting the performance goal target for growth rates in agricultural production at least as high as population growth for low-income countries. **Africa, Asia and the Near East**, and Europe and Eurasia have either met or are on track to meet the targets for poverty reduction. Under the openness and reliance on private markets goal, all regions met the performance goal target for growth

**Across all regions, most of the existing performance goals have been met or are on track to being met.**

Among USAID recipients, the Asian financial crisis severely impaired economic growth performance in Indonesia and weakened performance in the Philippines.

in exports and imports. Yet only Europe and Eurasia met its target for increased openness as measured by improvements in the Economic Freedom Index.

## Regional Variations In Performance

Overall, Asia and the Near East met more of the performance targets than any other region. Latin America and the Caribbean met the fewest.

In the Asia and Near East region, particularly Asia, trends have been positive and fairly steady since the late 1980s. Among USAID recipients, the Asian financial crisis severely impaired economic growth performance in **Indonesia** and weakened performance in **the Philippines**. But the Agency's support for policy reforms, strengthened economic institutions, and improved economic governance has helped several countries with the recovery process. Performance in **South Asia** has held up fairly well throughout. Overall, these countries are on track to meet the following five performance goal targets: growth in per capita GDP, growth in agricultural GDP that exceeds population growth, poverty reduction, increased openness as measured by growth in exports and imports, and reduced reliance on foreign aid.

In **Latin America and the Caribbean**, the effects of El Niño, the global recession, and Hurricanes Mitch and Georges hurt performance. LAC fell short on several targets: growth in GDP per capita (although more than two thirds of LAC countries achieved growth exceeding 1 percent per capita), poverty reduction, increased direct foreign investment, economic freedom, and reduced dependence on aid. Performance targets were met in per

capita agricultural GDP and growth in exports and imports. USAID programs in the region contribute directly to promoting both exports and agricultural production.

**Africa** either met or was on track to meet the performance targets for growth in per capita GDP, growth in per capita agricultural GDP, poverty reduction, growth in trade, and reduced reliance on aid. Africa missed its performance targets for increased economic freedom and growth in direct foreign investment, signaling the region's continued difficulties in becoming more integrated into the global economy.

A major adjustment in exchange rate policy helped bolster performance in the CFA (Communauté financière africaine) franc zone of West Africa. A number of the countries that recorded significant growth in exports and imports have USAID programs aimed at improving trade regimes, promoting nontraditional exports, and improving the policy and institutional environments for savings and investment. The Agency is currently undertaking promising new and even experimental policy and business linkage activities in Africa to leverage private trade and investment. These activities build on recent progress in leveraging public and private activity in energy, agriculture, capacity building, and legal, regulatory, and judicial reform.

In **Europe and Eurasia**, the transition from communism was expected to generate a pattern of initial decline and then recovery. Through much of the 1990s, this pattern generally prevailed. However, it has weakened more recently as recovery efforts in a number of countries have faltered, particularly in Eurasia. Indeed, in Europe and Eurasia there are striking differences in trends by

subregion. At one extreme, the northern tier countries (of Eastern Europe, including the Baltic States) are clearly making progress.

At the other extreme, progress has been much more elusive and more fragile in the new independent states. Differences in policies and institutions (heavily influenced by history) explain much of the difference between these two groups.

E&E countries met performance targets for increased openness as measured by

increased trade, increased direct foreign investment, and increased economic freedom. They are on track to meet the performance targets for growth in per capita agricultural production and poverty reduction. Performance is, however, falling short of the target for growth in per capita GDP. USAID programming places heavy emphasis on improving the export performance of countries in the region as well as on promoting the development and growth of agribusiness.

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## PERFORMANCE GOAL 1: AVERAGE ANNUAL GROWTH RATES IN REAL PER CAPITA INCOME ABOVE 1 PERCENT ACHIEVED

### Performance Analysis

The first performance goal of the economic growth and agricultural development sector (see table 1.2) reflects USAID's strong commitment to work cooperatively with its partners to help achieve broad-based economic growth. This goal reflects the economic growth progress being made by recipient countries, with assistance from USAID and other donors. All Agency programs in this sector either directly or indirectly contribute to increasing GDP growth.

In general, there has been significant improvement in per capita GDP growth for USAID-assisted countries, as can be seen by examining the 1998 actuals in comparison with the revised 1996 baselines. For each region, the Agency has set targets representing the percentage of countries that meet the performance goal. According to data available for the period 1994–98 (actual data are not yet available for the FY99 target year), 55 percent of the countries of **sub-Saharan Africa** where USAID

operates have average annual growth rates exceeding 1 percent. That puts them on track toward meeting the 66 percent target.

In **Asia and the Near East**, the percentage is 93 percent, exceeding the target. In **Latin America and the Caribbean**, the percentage is 69 percent (currently short of the 80 percent target). And in **Europe and Eurasia**, the percentage is 43 percent (currently short of the 66 percent target).

### Achievement Beyond Fiscal Year 1999 Annual Performance Plan Levels

The 1999 Annual Performance Plan targets were exceeded in **Asia and the Near East**. In this region, the (unweighted) average rate of growth in GDP per capita exceeded 2 percent, and only in Jordan did the growth rate register below 1 percent. Overall, USAID's programs in Asia and the Near

East performed well. USAID programs emphasized promoting policy reforms, strengthening economic institutions, and improving economic governance. They helped several countries recover from the East Asia financial crisis and register significant growth in per capita income. For example, the program in **Sri Lanka** dedicated itself to improving the climate for trade and investment so as to improve the country's competitiveness in world markets. Per capita income in Sri Lanka grew by 3.3 percent in 1998.

## Planned Actions to Achieve Unmet Fiscal Year 1999 Annual Performance Plan Levels

Performance is unlikely to meet planned levels in Europe and Eurasia and Latin America and the Caribbean for fiscal year 1999. In **Europe and Eurasia**, per capita income fell, on average, by 0.8 percent during 1994–98. The decline was driven by sharp economic declines during the beginning of the period in nine Eurasian countries: **Azerbaijan, Kazakhstan, Kyrgyzstan, Moldova, Russia,**

### Performance Table From Fiscal Year 1999 Annual Performance Plan

**Table 1.2. Performance Goal 1: Average Annual Growth Rates in Real Per Capita Income Above 1 Percent Achieved**

*Indicator:* Percentage of countries with average annual growth rates in GDP (in constant prices) per capita above 1 percent.

*Sources:* IMF, *World Economic Outlook*; World Bank, *World Development Indicators*; USAID calculations.

		1999 APP Baseline 1992–96	Revised Baseline(1) 1992–96	Latest Actual (2) 1994–98	Target (3) 1995–99
sub-Saharan Africa	planned				66
	actual	36	32	55	
Asia–Near East	planned				90
	actual	79	80	93	
Europe – Eurasia	planned				66
	actual	30	26	43	
Latin America – Caribbean	planned				80
	actual	43	56	69	

*Note:* Data for this performance goal, as stated in the FY99 APP, are expressed in terms of the percent of countries that are achieving real per capita growth rates of at least 1 percent. An average of annual growth rates for five-year periods is first calculated for real GDP and population for each country to determine whether they meet the 1 percent threshold.

1. The revised baseline represents the percent of countries with average per capita growth rates over 1 percent for the five-year period ending in 1996. 1996 baselines were recalculated for all USAID-assisted countries based on the revised USAID-assisted country list for FY98. This revision was necessary as a number of countries on the original baseline (from the 1999 APP) are no longer assisted by USAID.

2. The actuals are based on the average of annual growth rates for the five-year period ending in 1998. 1999 data are not yet available.

3. The 1999 target reflects the average annual growth rate for the five-year period ending in 1999. The target figure represents the expected percent of countries in each region with average growth above 1 percent.

**Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.** But toward the end of the period, signs of improvement appeared. They included positive per capita growth rates in Azerbaijan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan. Weak economic performance in Russia and Ukraine, two countries in the region with the largest USAID programs, continues to cause concern.

In **Latin America and the Caribbean**, GDP growth fell markedly in several countries during 1997–98, with per capita incomes actually declining in **Brazil, Colombia, Ecuador, Guyana, and Peru.** Nevertheless, 69 percent of LAC countries had average annual growth in excess of 1 percent. USAID believes that continuing its successful economic growth programs that seek to improve trade competitiveness and stimulate growth in agricultural GDP will help improve overall economic performance in the region.

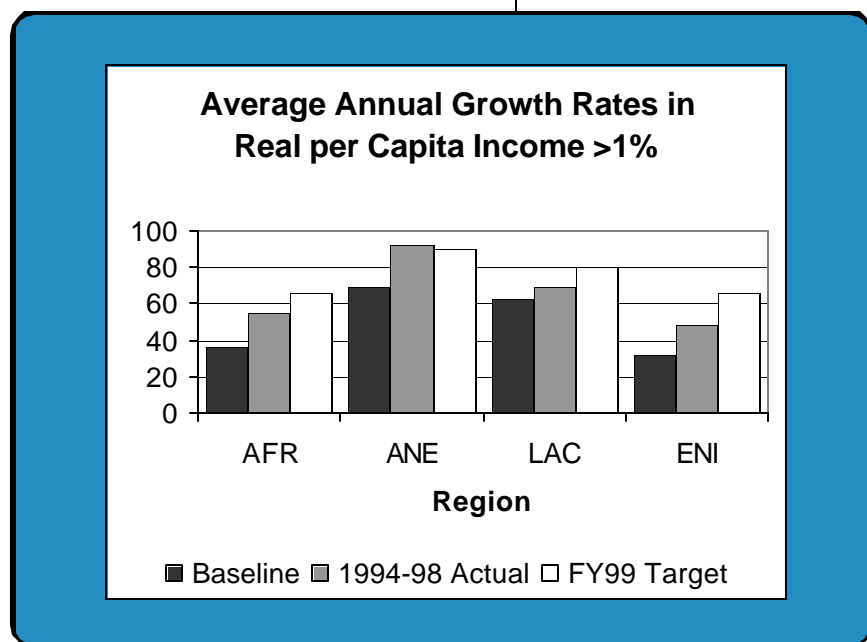
### Revisions to the Fiscal Year 2000 Annual Performance Plan

The fiscal year 2000 Annual Performance Plan retained this indicator (percentage of countries with average annual growth rates in GNP/GDP [in constant prices] per capita above 1 percent) and targets. However, performance is falling well short of targets in **Europe and Eurasia** and **Latin America and the Caribbean.** The FY00 performance targets will be met only if Eurasia continues its recovery from a recent economic slowdown and a turnaround occurs in the economies of several countries in Latin America and the Caribbean.

In 1998, per capita GDP growth rates accelerated in several countries in Europe and Eurasia that failed to meet the performance target of per capita growth in income greater than 1 percent. Those include **Azerbaijan, Belarus, Bulgaria, Macedonia, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.** In Latin America, growth rates improved in only a handful of countries that failed to meet the performance target in 1998—namely, **Haiti, Honduras, and Paraguay.**

### Adjustments to Be Included in the Fiscal Year 2001 Annual Performance Plan

No adjustments are proposed for the FY01 APP. The Agency plans to review its cluster analysis and, if feasible, provide new performance indicators in the FY02 APP.





## PERFORMANCE GOAL 2: AVERAGE ANNUAL GROWTH IN AGRICULTURE AT LEAST AS HIGH AS POPULATION GROWTH ACHIEVED IN LOW-INCOME COUNTRIES

### Performance Analysis

Positive growth in per capita agricultural production is essential for two main reasons: 1) it leads to real income growth for the bulk of the population in developing countries, and 2) it enhances the prospects for food security. That's because agricultural households can either feed themselves from their own

production or obtain the cash income necessary to purchase food imported from elsewhere. USAID has agricultural development programs in 45 countries. The programs seek to strengthen institutions and to improve farmer incentives through policy reform. The Agency coordinates its programs with those of other donors. Agricultural per capita growth rates therefore provide an indication of the progress being made through these concerted donor efforts.

### Performance Table From Fiscal Year 1999 Annual Performance Plan

**Table 1.3. Performance Goal 2: Average Annual Growth Rates in Agriculture at Least as High as Population Growth Achieved in Low-Income Countries**

*Indicator:* Percentage of low-income countries with average annual growth rates in agriculture at least as high as average annual growth rates in population.

*Sources:* World Bank, *World Development Indicators*; USAID calculations.

		1999 APP Baseline 1990 – 95	Revised Baseline(1) 1990 – 95	Latest Actual (2) 1992 – 97	Target (3) 1993 – 98
sub-Saharan Africa	planned				50
	actual	33	37	74	
Asia – Near East	planned				70
	actual	43	57	71	
Europe – Eurasia	planned				70
	actual	14	25	60	
Latin America – Caribbean	planned				50
	actual	33	33	67	

*Note:* This performance goal, as stated in the FY99 APP, captures the percentage of low-income countries whose growth rates in agriculture are at least as high as population growth rates as stated in the FY99 APP. An average of annual country growth rates (for both agriculture production and population) for six-year periods is used for the calculation.

"Low-income" is defined by the World Bank as countries with GNP per capita of \$785 or less in 1997.

1. The revised baseline period is the six-year period ending in 1995. The baseline was revised for all USAID-assisted countries on the basis of the USAID-assisted country list for FY1998. This revision was necessary as a number of countries on the original baseline (from the 1999 APP) are no longer assisted by USAID.

2. The actuals reflect the average annual growth rates (for both agriculture production and population) for the six-year period ending in 1997. 1998 data are not yet available.

3. The 1999 target reflects the average for the six-year period ending in 1998.

In general, USAID-assisted low-income countries have improved significantly in per capita agricultural growth. This can be seen by examining the 1997 actuals in comparison with the revised 1995 baselines. Actuals are not yet available for 1998 and 1999.

For each region, the Agency has set targets representing the percentage of low-income countries that meet the performance goal (see table 1.3). According to data available for 1992–97, 74 percent of the countries of **sub-Saharan Africa** where USAID operates have average annual agricultural growth rates that equal or exceed population growth (surpassing the 1999 APP target of 50 percent). In **Asia and the Near East**, the percentage is 71 percent, just exceeding the 70 percent target. In **Latin America and the Caribbean** the percentage is 67 percent, exceeding the 1999 target of 50 percent. And in **Europe and Eurasia** the percentage is 60 percent (on track toward meeting the 1999 target of 70 percent).

### **Achievement Beyond Fiscal Year 1999 Annual Performance Plan Levels**

The Annual Performance Plan targets for this performance goal were exceeded in **Africa, Asia and the Near East**, and **Latin America and the Caribbean**. In Africa, substantial progress has been made in the agricultural policy environment, and donors have made great strides in understanding what works and what does not. Per capita agricultural growth averaged 1.4 percent in the region from 1992 through 1997. That compares with an average of –2.2 percent during 1990–95.

### **Planned Actions to Achieve Unmet Fiscal Year 1999 Annual Performance Plan Levels**

All four regions are on track to meeting planned levels. However, the Agency will continue to monitor agricultural performance in **Eurasia**. Policy and institutional reform has lagged there, resulting in negative agricultural growth rates in many of the region's countries. Eurasia has only a spotty history of private agriculture production, and its economic transition has faced greater obstacles than the European countries of the former Soviet bloc. In Asia and the Near East, **Bangladesh** and **Cambodia** had agricultural growth rates lagging just behind population growth rates (those countries nonetheless achieved satisfactory overall growth). Overall, growth in agricultural production must continue and eventually exceed population growth by one or two percentage points if a sustained improvement in per capita production is to be achieved.

### **Revisions to Fiscal Year 2000 Annual Performance Plan**

No revisions were made in the fiscal year 2000 Annual Performance Plan. The FY00 performance targets for **Asia and the Near East** will be met if Bangladesh and Cambodia are able to continue to make progress in increasing agricultural production and reducing their population growth rates.

In **Europe and Eurasia**, meeting the FY00 performance targets will be more difficult, as several countries in that

**Policy and institutional reform has lagged in Eurasia, resulting in negative agricultural growth rates in many of the region's countries.**

region have experienced steep declines in per capita agricultural production. However, recent trends are more promising.

## Adjustments to Be Included in the Fiscal Year 2001 Annual Performance Plan

Currently, no adjustments are planned in the performance goals for FY01. Further work and development of revised performance measures will take place in the coming year.

**Empirical evidence shows that reducing poverty in most regions depends on growth rates in per capita incomes in the 1 to 2 percent range, assuming that income distribution, at a minimum, does not become worse.**

### PERFORMANCE GOAL 3: PROPORTION OF THE POPULATION IN POVERTY REDUCED

#### Performance Analysis

The performance goal of reducing the proportion of the population in poverty provides the context for USAID programming. Empirical evidence shows that reducing poverty in most regions depends on growth rates in per capita incomes in the 1 to 2 percent range, assuming that income distribution, at a minimum, does not become worse. Table 1.4 uses region-specific growth rates that were not documented in the FY99 Annual Performance Plan (see note 1 in table).

Poverty reduction is promoted by USAID's programs that support overall economic growth and economic development as part of a coordinated donor strategy for a particular country, combined with measures that create conditions supportive of equitable distribution of growing incomes. In particular, the Agency seeks to improve access by the poor to improved economic opportunities as well as to finance, business skills, and technologies.

These targeted programs are carried out in close collaboration with other inter-

national donors. In many cases the programs leverage resources, as in the case of microfinance institutions. USAID also works with other donors to ensure that the policy, legal, and regulatory environments in assisted countries do not explicitly or implicitly discriminate against women, the poor, or disadvantaged groups.

In general, poverty has been significantly reduced in USAID-assisted countries. This can be seen by examining the 1994–98 actuals in comparison with the revised 1992–96 baselines (1999 actuals are not yet available). For each region, the Agency has set targets representing the percentage of countries that meet the performance goal.

**Africa** has a threshold rate of growth at 1.9 percent. Fully 41 percent of the countries of sub-Saharan Africa where USAID operates have enjoyed the per capita income growth required to meet this threshold. This growth puts Africa on track to meeting the target of 50 percent of the countries in FY99.

In **Asia and the Near East**, all countries were able to sustain growth in

income at or above their threshold level, exceeding the target of 80 percent.

In **Latin America and the Caribbean**, only 38 percent of countries met the threshold growth rate (compared with the 1999 target of 60 percent). This was due to relatively slow income growth juxtaposed against a relatively high threshold rate of growth (1.8 percent) required for this region to reduce poverty.

In **Europe and Eurasia**, where a relatively low growth rate was required (0.8 percent), 43 percent of countries met the threshold rate. While the region is on track to meeting the 1999 target of 50 percent and further reducing poverty in the coming years, persistent problems remain. Poverty increased significantly in the early transition years in virtually all of these countries. It will likely continue to increase in many before a turnaround occurs.

## Performance Table From Fiscal Year 1999 Annual Performance Plan

**Table 1.4. Performance Goal 3: Proportion of the Population in Poverty Reduced**

*Indicator:* Percentage of countries with average annual growth rates of GDP (in constant prices) per capita at or above levels to achieve a 25 percent reduction in the proportion of the population below the poverty line by 2005.

*Sources:* IMF, *World Economic Outlook*; World Bank, *World Development Indicators*; USAID calculations.

		1999 APP Baseline 1992 – 96	Revised Baseline(1) 1992 – 96	Latest Actual (2) 1994 – 98	Target (3) 1995 – 99
sub-Saharan Africa	planned				50
	actual	33	9	41	
Asia – Near East	planned				80
	actual	43	80	100	
Europe – Eurasia	planned				50
	actual	n/a	26	43	
Latin America – Caribbean	planned				60
	actual	33	44	38	

*Note:* Owing to infrequent reporting of poverty data, this performance goal uses a proxy indicator measuring the proportion of countries in each region that sustain growth rates in income at a level equivalent to or higher than the regional consumption rates—enabling them to meet a 25 percent reduction in poverty level by 2005. These required consumption growth rates are based on World Bank geographic regions: Africa—1.9 percent; East Asia–Pacific—1.2 percent; Europe–Central Asia—0.8 percent; Middle East–North Africa—0.3 percent; Latin America–Caribbean—1.8 percent; South Asia—1.3 percent. These rates represent the 1998 World Development Indicators DAC targets for a 50 percent reduction in poverty by 2015. Actual growth rates for each USAID-assisted country were compared with their corresponding World Bank regional consumption rate. This revised indicator is used in the FY00 Annual Performance Plan.

1. The revised baselines (and 1998 actuals) are the percentage of countries whose growth rates in income meet or exceed the required consumption rates. The baseline was revised for all USAID-assisted countries on the basis of the USAID-assisted country list for FY98. This revision was necessary as a number of countries on the original baseline (from the 1999 APP) are no longer assisted by USAID.

2. The actuals are based on data from the five-year period ending in 1998. 1999 data are not yet available.

3. The 1999 target represents the percent of countries expected to meet or exceed the required average annual growth rates for the five-year period ending in FY99.

**USAID will continue to help promote integration of Latin America and the Caribbean region into the international economy.**

## **Achievement Beyond Fiscal Year 1999 Annual Performance Plan Levels**

The 1999 targets were exceeded in **Asia and the Near East**, where strong overall economic growth performance contributed to success.

## **Planned Actions to Achieve Unmet Fiscal Year 1999 Annual Performance Plan Levels**

In **Latin America and the Caribbean**, a required growth rate of 1.8 percent means that countries in the region must achieve strong overall economic progress while ensuring that income distribution becomes no worse. USAID will continue to help promote integration of the region into the international economy. Increased trade and investment and agricultural development are important engines of broad-based economic growth. At the same time, USAID will continue to emphasize increased access and opportunity by the poor through microenterprise development and through the promotion of nonfarm rural enterprises producing for domestic and international markets.

## **Revisions to Fiscal Year 2000 Annual Performance Plan**

USAID has included this indicator, adjusting the threshold growth rates, in the fiscal year 2000 Annual Performance Plan. The target for **Europe and Eurasia** countries was raised to 70 percent. Prospects for meeting the FY00 planned levels in **Latin America and the Caribbean** will again hinge on growth rates of per capita income exceeding the 1.8 percent threshold. This scenario is more likely for **Guatemala** and **Nicaragua**, both of which registered growth rates in the 1.3 to 1.5 percent range from 1994 through 1998, and which showed signs of accelerating in 1998.

## **Adjustments to Be Included in the Fiscal Year 2001 Annual Performance Plan**

No adjustments are planned for the FY01 Annual Performance Plan. The Agency plans to review its cluster analysis and, if feasible, provide new performance indicators in the FY02 Annual Performance Plan.

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## **PERFORMANCE GOAL 4: OPENNESS AND GREATER RELIANCE ON PRIVATE MARKETS INCREASED**

### **Performance Analysis**

The performance goal of openness and greater reliance on private markets is shared throughout the donor community. There is broad consensus that a close two-way relationship exists between economic openness and development progress. Outward-looking economic policies and a willingness to

achieve greater economic integration into international trade and investment flows go hand and hand with rapid economic growth. USAID contributes to greater openness and economic integration by working with other donors to promote policies in assisted countries that remove biases against trade and foreign investment, as well as strengthen institutions (public and

private) that facilitate economic integration.

*Economic Freedom Index.* One of the measures for the performance goal of openness and greater reliance on private markets increased is the Economic Freedom Index calculated by the Heritage Foundation. It attempts to measure the extent to which individuals are free to produce, distribute, and consume goods and services (see table 1.5a). Countries are scored on a scale of 1 (most free) to 5 (least free) according to 10 factors. They are 1) trade policy, 2) taxation policy, 3) government intervention in the economy, 4) monetary policy, 5) capital flows and foreign investment, 6) banking policy, 7) wage and price

controls, 8) property rights, 9) regulation, and 10) black market. These 10 factors are then combined into a single overall index score. The Economic Freedom Index is a broad indicator that encompasses country-level changes that may be beyond the control of donors, yet provides useful information for targeting programs with significant policy reform components.

As shown in table 1.5a, relative to the 1996 baselines, trends in increased openness (as measured by the percentage of countries with improved economic freedom scores) slowed markedly in **Africa** (45 to 32 percent) and **Asia and the Near East** (64 to 40 percent). In **Europe and Eurasia** and **Latin**

## Performance Table From Fiscal Year 1999 Annual Performance Plan

**Table 1.5a. Performance Goal 4: Openness and Greater Reliance on Private Markets Increased**

*Indicator:* Percent of countries with improved Economic Freedom scores.

*Source:* Heritage Foundation.

		1999 APP Baseline 1996/94	Revised Baseline(1) 1996/94	Latest Actual (2) 1998/96	Target (3) 1999
sub-Saharan Africa	planned				50
	actual	47	45	32	
Asia—Near East	planned				80
	actual	80	64	40	
Europe – Eurasia	planned				50
	actual	45	53	52	
Latin America— Caribbean	planned				75
	actual	64	63	63	

*Note:* "1996/94" reads "1996 compared with 1994."

1. The 1996 revised baseline is the percentage of countries in each region that experienced an improvement in Economic Freedom Index scores from 1994 through 1996. The baseline was revised for all USAID-assisted countries on the basis of the revised USAID-assisted country list for FY98. This revision was necessary as a number of countries on the original baseline (from the 1999 APP) are no longer assisted by USAID.

2. The 1999 actual reports on the percentage of countries for which there was improvement from 1996 through 1998.

3. The 1999 target represents the expected percentage of assisted countries in a region that experienced an improvement in the index from 1996 through 1998.



**America and the Caribbean**, the percentage of countries with improved scores was more or less constant relative to the baseline (53 to 52 percent and 63 to 63 percent, respectively). Except for E&E, where the 1999 APP target represents a straight-lined trend, the targets for improvement set in the 1999 APP were not met.

*Trade.* USAID throughout the world seeks to improve the competitiveness of assisted countries. These programs aim at improving trade regimes, promoting more export-oriented development, and enabling private sector exporters to take advantage of opportunities to enter international markets.

The Agency measures this openness using indicators that report the growth in exports and imports (see table 1.5b). For **Africa** and **Europe and Eurasia**, the indicator reflects the percentage of countries in each region with positive rates of growth in exports and imports. For **Asia and the Near East** and **Latin America and the Caribbean**, the indicator represents the unweighted average annual growth rate of exports and imports for USAID-assisted countries.

As shown in table 1.5b, in 1994–97 **Africa** saw an increase in the percentage of countries with increased exports and imports compared with the 1990–

## Performance Table From Fiscal Year 1999 Annual Performance Plan

Table 1.5b. Performance Goal 4: Openess and Greater Reliance on Private Markets Increased

*Indicator:* a) Percentage of countries with positive average annual growth rates in exports and imports, or b) average annual growth rates in exports and imports.

*Source:* World Bank, *World Development Indicators*.

		1999 APP Baseline 1990–95	Revised Baseline(1) 1990–95	Latest Actual (2) 1994–97	Target (3) 1995–99
sub-Saharan Africa (a)	planned				75
	actual	36	86	90	
Asia–Near East (b)	planned				8.0
	actual	9.5	11.9	10.9	
Europe–Eurasia (a)	planned				80
	actual	n/a	n/a	83	
Latin America– Caribbean (b)	planned				6.0
	actual	7.0	9.0	10.3	

*Note:* Average growth rates for the revised baseline and 1999 actuals are unweighted averages—i.e., average of country growth rates.

1. The revised baseline period reflects the averages for the six-year period ending in 1995. The baseline was revised for all USAID-assisted countries on the basis of the revised USAID-assisted country list for FY98. This revision was necessary as a number of countries on the original baseline (from the 1999 APP) are no longer assisted by USAID.
2. The actuals are based on data from a four-year period ending in 1997. Data for 1998 and 1999 are not yet available.
3. The 1999 target reflects the average for the five-year period ending with 1999.

95 revised baseline (90 percent and 86 percent, respectively). **Europe and Eurasia** most likely saw an increase (to 83 percent), but the baseline period had insufficient data.

In **Asia and the Near East**, average annual growth rates in exports and imports fell from 11.9 percent to 10.9 percent. This was due primarily to the rapid growth of Vietnam's trade flows during the first half of the decade. That growth has leveled off somewhat in recent years. In **Latin America and the Caribbean**, growth rates in exports and imports of 10.3 percent exceeded the revised baseline of 9.0 percent.

In the FY99 Annual Performance Plan, USAID set 1999 targets against which it has assessed progress for each region. Though 1999 actuals are not yet available, **Europe and Eurasia** and **Africa** exceeded the targets of 80 and 75 percent, respectively according to the most recent data. In both **Asia and the Near East** and **Latin America and the Caribbean**, the average growth rates were well above the expected levels of growth represented by the 1999 APP targets (10.9 percent, compared with 8.0 percent, and 10.3 percent compared with 6.0 percent, respectively).

## Performance Table From Fiscal Year 1999 Annual Performance Plan

**Table 1.5c. Performance Goal 4: Openess and Greater Reliance on Private Markets Increased**

*Indicator:* Percentage of countries in which average annual growth rate of direct foreign investment increased.

*Sources:* World Bank, *World Development Indicators*.

		1999 APP Baseline 1990 – 95	Revised Baseline(1) 1990 – 95	Latest Actual (2) 1994 – 97	Target (3) 1995 – 99
sub-Saharan Africa	planned				75
	actual	62	36	38	
Asia – Near East	planned				95
	actual	92	73	80	
Europe – Eurasia	planned				75
	actual	n/a	n/a	78	
Latin America– Caribbean	planned				95
	actual	92	75	75	

*Note:* "Direct foreign investment" is defined as net inflow of investment to acquire a lasting management interest (10 percent or more) in an enterprise in an economy other than that of the investor. Countries meet the performance goal if they average sustained annual growth of 5 percent.

1. The revised base represents the six-year period ending in 1995. The baseline was revised for all USAID-assisted countries on the basis of the revised USAID-assisted country list for FY98. This revision was necessary as a number of countries on the original baseline (from the 1999 APP) are no longer assisted by USAID.
2. The actuals are based on data from a four-year period ending in 1997. Data for 1998 and 1999 are not yet available.
3. The target for 1999 reflects the five-year period ending in 1999.

*Direct foreign investment.* (table 1.5c) Direct foreign investment reflects the attractiveness of countries relative to their enabling environment, their political risk, their conformity with international standards of accounting and business practices, and their economic resources. USAID is active in improving investment regimes, promoting the adoption of international standards, and enhancing the competitiveness of exporters and, therefore, their attractiveness as partners for foreign investors.

The Agency measures openness by using the indicator on direct foreign investment, defined as net inflow of investment to acquire a lasting management interest (10 percent or more) in an enterprise in an economy other than that of the investor. The indicator reflects the percentage of countries in a region with increased inflows of direct foreign investment. Clear increases in direct foreign investment inflows is subjective in nature, as the levels of investment into a country can vary widely from year to year, especially within smaller economies. For this report, an average annual growth of 5 percent is considered a positive, sustained level of investment over the specified period.

Table 1.5c shows that there has been some progress in **Asia and the Near East** relative to the revised 1990–95 baseline. **Africa** and **Latin America and the Caribbean** more or less maintained their baseline levels. **Europe and Eurasia** had insufficient baseline data for comparison, although the actuals reflected strong performance.

Relative to the FY99 Annual Performance Plan targets for 1999, the Europe and Eurasia region has already met the

FY99 target. In the other three regions, 1999 targets are not likely to be met, although the trend in Asia and the Near East is promising.

## **Achievement Beyond Fiscal Year 1999 Annual Performance Plan Levels**

*Economic Freedom Index.* In **Europe and Eurasia**, actual performance just slightly exceeded the 1999 target (52 percent, compared with 50 percent). No other region exceeded the target.

*Trade.* Actual progress in increasing exports and imports exceeded targets in all four regions.

*Direct foreign investment.* The 1999 target for direct foreign investment was just slightly exceeded in **Europe and Eurasia** (78 percent compared with 75 percent).

## **Planned Actions to Achieve Unmet Fiscal Year 1999 Annual Performance Plan Levels**

*Economic Freedom Index.* The data for this performance goal show that significant slowing has occurred in **Asia and the Near East** and **Africa** in regard to improving economic freedom. (In **Europe and Eurasia** and **Latin America and the Caribbean**, progress has remained steady.) In collaboration with other donors and with the multilateral institutions that take the lead on broad fiscal and monetary policy issues, USAID will continue to work with assisted countries to eliminate restrictive barriers to economic growth and create policy environments that permit vibrant and open markets.

*Trade and investment.* Although significant progress has been made in promoting nontraditional exports in **Africa**, much more needs to be done to build on past accomplishments to further integrate that continent into the world economy. USAID has started the African Trade and Investment Policy Program as an opportunity to undertake promising new and even experimental policy and business linkage activities to leverage private trade and investment. In its first year, the program has leveraged significant public and private activity in energy; agriculture; legal, regulatory, and judicial reform; and capacity building.

In Latin America and the Caribbean, poor performance on direct foreign investments stems largely from the economic slowdown that plagued the region, making it a less attractive environment for foreign investment. However, most LAC-assisted countries are increasing direct foreign investment at some level, except for **El Salvador, Guatemala, Haiti, and Peru**. More than half the net inflows to the region's assisted countries have flowed to **Brazil** and **Mexico**.

However, USAID will continue to work at the regional, subregional, and country levels to promote greater harmony of policies, improve the legal and regulatory frameworks for foreign investment, and support the development of agroexport activities as potential partners for foreign investors.

## **Revisions to Fiscal Year 2000 Annual Performance Plan**

A few of the FY00 targets were adjusted slightly in the FY00 Annual Perfor-

mance Plan. Given the decline in the number of countries reporting improved Economic Freedom Index scores, the performance target is unlikely to be met in **Africa, Asia and the Near East, and Latin America and the Caribbean**.

As measured by growth in trade, meeting targets for economic openness in **Africa** will be more challenging given a higher target for the region in the FY00 APP. But data from 1997 are encouraging. Nineteen of 21 countries recorded positive growth rates in exports and imports (the exceptions were **Mozambique** and **Rwanda**), with the unweighted regional average reaching 7.4 percent (compared with 3.3 percent in 1990–95).

Prospects for meeting the FY00 Annual Performance Plan targets for increased direct foreign investment in Africa will hinge on maintaining progress in countries such as **Angola, Ghana, Kenya, Madagascar, Mozambique, Namibia, South Africa, Tanzania, Uganda, Zambia, and Zimbabwe**, while increasing investment in other countries. However, prospects are daunting, given the traditionally low levels of direct foreign investment entering those countries as well as considerable year-to-year variation. Overall, direct foreign investment increased by 19 percent annually during 1993–97. That compares with averages of 30 to 43 percent for the other regions.

In **Latin America and the Caribbean**, clear increases in direct foreign investment must occur in three additional countries if the FY00 APP target of 95 percent is to be met. Being relatively poorer, countries in **Central America** tend to attract lower levels of

**Although significant progress has been made in promoting nontraditional exports in Africa, much more needs to be done to build on past accomplishments to further integrate that continent into the world economy.**

foreign investment. However, regional initiatives such as USAID's Program in Support of Central American Participation in the Free Trade Areas of the Americas, combined with ongoing bilateral programs that enhance the structure of incentives for foreign investment, may help yield the results necessary to achieve the performance target.

### Adjustments to Be Included in the FY01 Annual Performance Plan

No adjustments are planned for the FY01 Annual Performance Plan. The Agency plans to review its cluster analysis and, if feasible, provide new performance indicators in the FY02 Annual Performance Plan.

### PERFORMANCE GOAL 5: RELIANCE ON CONCESSIONAL FOREIGN AID DECREASED IN ADVANCED DEVELOPING COUNTRIES

The performance goal of decreased reliance on foreign aid in advanced developing countries reflects USAID's

commitment to ensuring that scarce resources are targeted to countries in greatest need. Advanced developing

## Performance From Fiscal Year 1999 Annual Performance Plan

**Table 1.6. Performance Goal 5: Reliance on Concessional Foreign Aid Decreased in Advanced Developing Countries**

*Indicator:* Percentage of advanced developing (middle income) countries in which aid as a percent of GNP declined.

*Sources:* World Bank, *World Development Indicators 1999*; USAID calculations.

		1999 APP Baseline 1994/90	Revised Baseline(1) 1994/90	Latest Actual (2) 1997/93	Target (3) 1999/95
sub-Saharan Africa	planned				50
	actual	50	100	50	
Asia—Near East	planned				80
	actual	100	100	88	
Europe – Eurasia	planned				50
	actual	n/a	n/a	56	
Latin America— Caribbean	planned				100
	actual	100	77	62	

*Note:* "1994/90" reads "1994 compared with 1990." Included in the table are advanced developing countries, defined as those countries meeting the criteria for the World Bank classification of middle income.

1. The baseline was revised for all USAID-assisted advanced developing countries on the basis of the USAID-assisted country list for FY98. This revision was necessary as a number of countries on the original baseline (from the 1999 APP) are no longer assisted by USAID.

2. The 1997/93 actuals reflect 1997 compared with 1993 aid levels. Data for 1998 and 1999 are not yet available.

3. The 1999 APP target reflects 1999 levels compared with 1995.

countries are expected to rely more on nonconcessional sources of finance (e.g., private capital markets or nonconcessional lending from multilateral institutions).

USAID develops program closeout or graduation strategies for countries that have sustained broad-based economic growth and agricultural development and will no longer require concessional assistance beyond a certain date. Reducing dependence by advanced developing countries on concessional assistance is a long-term USAID goal. That goal is implicit in our approaches that promote capacity building through training and technical assistance. And it is implicit in our activities to advance legal and regulatory frameworks and private sector institutions that sustain economic growth.

## Performance Analysis

The performance goal of decreased reliance in advanced developing countries on foreign assistance is measured by aid as a percentage of gross domestic product. Table 1.6 shows that for regions with baseline data (**Africa, Asia and the Near East, and Latin America and the Caribbean**) advanced developing countries were in fact *more* dependent on aid. These trends are based on a relatively small number of middle-income countries in each region, so that changes in any one country will have a large impact on the group average. In addition, some of these countries already have low levels of aid dependency, so fluctuations tend to be small.

For each region, USAID has established 1999 performance targets that indicate the percentage of countries that have reduced reliance on foreign assistance

over the five-year period ending in 1999. Comparing progress shown by 1997 actuals with the 1999 targets, expectations are just being met in Africa, where 50 percent of advanced developing countries reduced reliance on concessional aid. (**Namibia's** reliance has decreased, while **South Africa's** has increased.) **Asia and the Near East** and **Europe and Eurasia** have so far exceeded their 1999 targets of 80 percent and 50 percent, respectively. **Latin America and the Caribbean** is falling well short of its target of 100 percent.

## Achievement Beyond the Fiscal Year 1999 Annual Performance Plan Levels

Actuals exceeded the 1999 targets in **Asia and the Near East** and **Europe and Eurasia**.

## Planned Actions to Achieve Unmet Fiscal Year 1999 Annual Performance Plan Levels

Latin America and the Caribbean missed the performance target. Aid dependence showed signs of increasing in **Bolivia, Colombia, the Dominican Republic, Guyana, and Panama** in LAC. This performance goal has a long-term time horizon and is not likely to show substantial change on a year-to-year basis. USAID works to graduate countries out of concessional assistance over the long run. Country-level progress toward sustained and broad-based economic growth should ultimately enable these middle-income countries to graduate from foreign assistance.



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## Revisions to Fiscal Year 2000 Annual Performance Plan

USAID maintained the existing FY99 targets in the fiscal year 2000 Annual Performance Plan. Given the lack of progress made toward the FY99 targets, it is unlikely the FY00 targets will be met.

## Adjustments to Be Included in the Fiscal Year 2001 Annual Performance Plan

The 2001 Annual Performance Plan makes an adjustment to this indicator whereby countries meet the dependency threshold if their dependence on aid is either declining or low, defined as less than or equal to 0.5 percent of GDP.

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## Notes

<sup>1</sup>Michael J. Crosswell. 1998. *The Development Record and the Effectiveness of Foreign Aid*. Staff Discussion Paper No. 1. Washington: USAID.

<sup>2</sup>James W. Fox. 1998. *Gaining Ground: World Well-Being 1950-95*. USAID Evaluation Special Study Report No. 79. Washington.

<sup>3</sup>The World Bank. 1998. *Assessing Aid: What Works, What Doesn't, and Why*. World Bank Policy Research Report. Oxford University Press: New York.

<sup>4</sup>Latin America and the Caribbean: Selected Economic and Social Data, USAID, 1999.

<sup>5</sup>Department of Commerce, as reported in Economic Report of the President, transmitted to Congress February 1999.

<sup>6</sup>J.M. Alston, M.C. Marra, P.G. Pardey, and T.J. Wyatt. 1998. *Research Returns Redux: A Meta-Analysis of the Returns to Agricultural R&D*. EPTD Discussion Paper No. 38. Washington: International Food Policy Research Institute.

<sup>7</sup>Michael J. Crosswell. *The Development Record*.

# 2

## Strategic Goal 2:

### Build Sustainable Democracies

## I. Overview

As we end the bloodiest of centuries, we recognize that developing a community of democratic nations is a goal we must continue to pursue. This past decade has witnessed some of the most important events of our age: the end of the Cold War, for example, and the emergence of many countries making a transition to democratic governance. The opportunity for freedom has been accompanied by internal conflict in many places where civil wars have torn asunder weak states. Ravaged by war, refugees and internally displaced persons often characterize the end of hostilities and have created new challenges for the future of the promotion of democracy. The industrial world must now find solutions to the crisis of governance in an uncharted political environment.

The number of democratically elected governments continues to grow, but many of these nations have made incomplete democratic transitions. They demonstrate limited competition within their political systems, and they lack democratic institutions. USAID is responding to these and other challenges to achieve its goal of *sustainable democracies built*.

Looking back on a decade of investing in political development worldwide, we have built upon our successes in supporting free elections. We have developed a sophisticated program, working in four sectors, to advance democratic practices around the world. Our programming reflects our understanding that genuine democracy requires not only competitive political processes but also respect for citizens, for human rights, and the right of dissent. It requires a robust civil society, supported

by the rule of law and citizen security characterized by an independent judiciary. We also support the promotion of good governance, through our work in fostering transparent and accountable government, improved legislative processes, and genuine civilian control of the security sector.

### *Benefits to the American Public*

USAID works to encourage democracy on the basis of liberty, personal and civic freedom, and government of, for, and by the people—ideals upon which our nation was founded. Although we are guided by our ideals in this endeavor, our commitment to democracy abroad is also strategic. Promoting democracy serves vital U.S. national interests, and expanding the community of democracies is a key objective of U.S. foreign policy.

Democratic governments are more likely to advocate and observe international laws and to experience the kind of long-term stability necessary for sustained development, economic growth, and international trade. In addition, the phenomenon of failed states is of profound concern to the United States. Lack of democratic institutions is a common factor among nations that have succumbed to crisis. Too often, these countries lack the institutional capacity necessary to avoid escalating violence.

The United States has a compelling national interest in preventing and averting crises before they occur. When potential crises erupt into genuine

emergencies, mobilizing the U.S. military and providing humanitarian assistance become complex and costly, and economic interests usually suffer. Successful transition and democratic development vastly improve a country's ability to manage division and conflict.

We are forging links between postconflict reconstruction, conflict prevention, and democracy and governance programming in countries emerging from war. Early efforts to create an enabling environment for state building and good governance are carried out by the Office of Transition Initiatives in the Bureau for Humanitarian Response. Consonant with the Agency's objective 6.3, to "reestablish security and basic institutions to meet critical needs and protect human rights," democracy building begins with early interventions such as demobilization of combatants, reconstruction efforts in partnership with nascent civil society, and activities to restore order while emphasizing protection of individual rights.

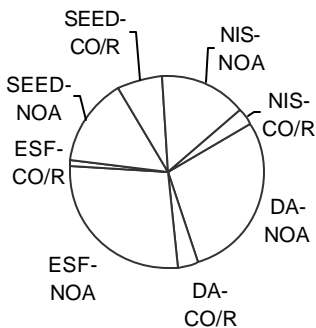
There has been a clear relationship between our early interventions in first-generation countries—those making the transition from conflict to peace and reconstruction—and our later interventions in those countries, as the early gains of political development are incorporated into the mainstream of the Agency's mission programming. USAID's recent work in countries in postconflict transition helps provide the foundation upon which to build democracy programs.

USAID promotes the goal of *sustainable democracies built* through approaches and programs that contribute to four broad Agency objectives: 2.1, rule of law and respect for human rights for women as well as men strengthened; 2.2, credible and competitive political processes encouraged; 2.3, development of civil society promoted; and 2.4, more transparent and accountable government institutions encouraged.

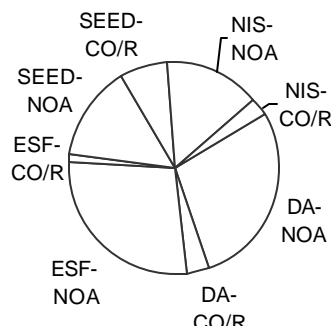
**Figure 2.1. USAID-Managed Funds by Strategic Goal**  
*Build Sustainable Democracies*

All Accounts	Fiscal Year 1998		Fiscal Year 1999	
	\$US millions	Percent of total	\$US millions	Percent of total
<b>Development Assistance</b>	<b>160</b>	<b>31</b>	<b>174</b>	<b>27</b>
New Obligation Authority	142	28	148	23
Carryover/recoveries	18	3	25	4
<b>Economic Support Funds</b>	<b>146</b>	<b>29</b>	<b>195</b>	<b>31</b>
New Obligation Authority	141	28	165	26
Carryover/recoveries	5	1	30	5
<b>SEED</b>	<b>113</b>	<b>22</b>	<b>121</b>	<b>19</b>
New Obligation Authority	76	15	95	15
Carryover/recoveries	37	7	26	4
<b>NIS</b>	<b>89</b>	<b>18</b>	<b>145</b>	<b>23</b>
New Obligation Authority	75	15	118	19
Carryover/recoveries	14	3	28	4
<b>IDA</b>	—	—	—	—
<b>PL 480</b>	—	—	—	—
<b>Total</b>	<b>508</b>	—	<b>634</b>	—

**Fiscal Year 1998**



**Fiscal Year 1999**



## ***Involvement of Other Donors and U.S. Government Agencies***

USAID coordinates its activities in supporting democracy abroad with a variety of partners—other agencies of the U.S. government, nongovernmental organizations (NGOs), and such multi-

lateral institutions as the United Nations, the Organization of American States, and the Organization of African Unity. We also work closely with our colleagues in the international financial community to ensure that adequate funding exists to sustain the initial programs and technical support we seek to ensure democratic opening and economic growth.

**Table 2.1. Involvement of Other Donors and U.S. Government Agencies**

<b>Major Donors</b>	<b>Rule of law and respect for human rights of women as well as men strengthened</b>	<b>Credible and competitive political process encouraged</b>	<b>The development of politically active civil society promoted</b>	<b>More transparent and accountable government institutions encouraged</b>
<b>International Organizations and Bilateral Donors</b>				
ADB				X
AUSAID	X	X		
Canada	X	X	X	X
Denmark		X	X	X
EBRD				X
European Union	X	X	X	X
Germany	X	X	X	X
IDB	X	X	X	X
Irish AID	X			X
Japan		X		X
Netherlands	X	X	X	X
Norway	X	X		
Sweden		X	X	X
Switzerland	X			
United Kingdom	X	X	X	X
UNICEF			X	X
World Bank	X		X	X
<b>Private Foundations</b>				
Ford	X		X	X
MacArthur	X		X	
Mott			X	
OSI(Soros)	X	X	X	X
Pew			X	
Rockefeller	X		X	
<b>U.S. Agencies</b>				
Commerce	X			X
EPA	X			
Justice	X			X
State	X	X	X	X
Treasury	X			X
USAID	X	X	X	X

## II. USAID Strategies And Program Performance

The development of democracy does not follow a predictable or linear path. Yet, USAID has been able to capitalize on its own experience to respond quickly to democratic openings in such high-priority countries as **Indonesia**, where USAID supported the country's first free elections in 33 years, and **Nigeria**, where the Agency backed a new package of reforms through local nongovernmental organizations and trained over 10,000 newly elected leaders. The Agency realizes that flexibility of programming and timing of assistance can make the difference in countries where fragile institutions and weak civil society require support. In addition, the Agency's long-term strategies to support democracy are bearing fruit in many countries around the world.

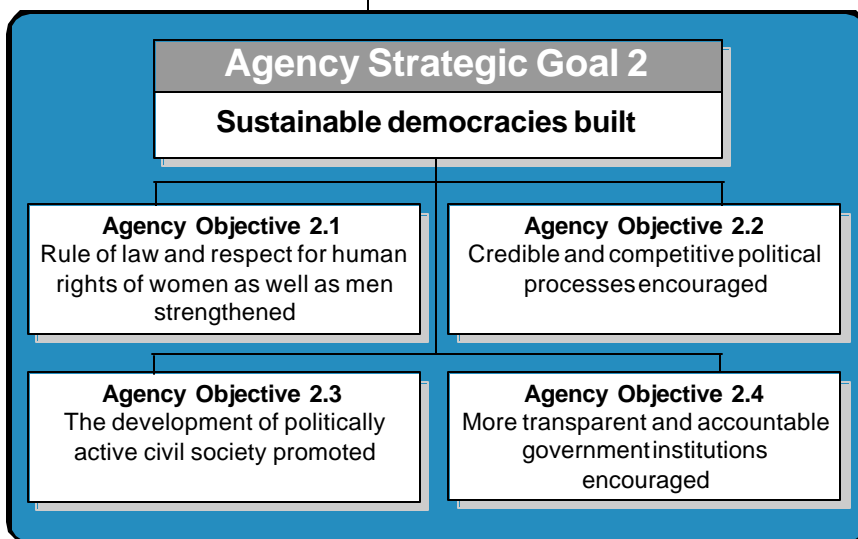
Overall, democratic development continues to gain momentum. An increasing number of nations continue to adopt democratic institutions ranging from free press to independent judiciaries. Recent years have seen representa-

tive government become a reality for millions more people around the world.

But democratization can also be reversed. The democratic development community, including USAID, is grappling with an emerging set of "second generation" issues related to the consolidation of democracy.<sup>1</sup> Some refer to these as the crisis of governance, but specifically, these challenges to democratic consolidation include (but are not limited to) weak institutions, manipulation of democratic processes by autocrats, the corrosive effects of corruption, and competition for scarce resources.

Such factors can lead to stalled democratic transitions, backsliding, and ethnic or civil strife. There is also a growing realization that programs in economic growth must be conceptualized in the light of democracy assistance efforts to ensure that the political liberalization underpins access to free markets.

More than any other programmatic activities, assistance with election mechanics and observation of election-day proceedings are "first generation" transitional issues in democracy support. In recent years, the level of elections-related funding has decreased as the Agency's implementing partners and USAID-assisted countries learn to do more with less. In contrast, governance and civil society issues have become increasingly important as many democracies move into the consolidation phase. In an array of country contexts, the lack of effective and accountable state institutions fundamentally limits the potential success of current democ-



ratization processes. Increasing the transparency and accountability of government institutions can address some of these second-generation issues. Likewise, promoting political parties organized around issues rather than personalities or religious and ethnic affiliation is a part of the Agency's move toward second-generation programming.

USAID's support for democratic governance helped promote both first- and second-generation advances toward democratization. The Agency implemented a wide range of democracy activities through 72 country and regional programs in fiscal year 1998. The Agency's Strategic Plan, adopted in 1997, identifies four strategic objectives in the democracy sector: 1) rule of law and respect for human rights strengthened, 2) credible and competitive political processes encouraged, 3) development of a politically active civil society promoted, and 4) transparent and accountable government institutions encouraged. The programs undertaken to meet these objectives reflect not only the significant opportunities to strengthen democratic processes but also recognition of the important synergies between democracy and good governance and several other Agency goals.

At the end of fiscal year 1999, an internal Agency review of the democracy and governance goal area identified several trends in each of these four Agency objectives:

- Advances in rule of law and human rights continue to be uneven in many regions. Much important work has been undertaken, but the sector remains challenged by the general dominance of the executive over other branches of government

and, in some cases, politicization of the judiciary. Although there is growing recognition that some degree of reform in this sector is a precondition for economic growth and political stability, many governments still take an à la carte approach to the rule of law, often accepting commercial law reform while impeding advances in civil and political rights.

- USAID is also facing an ever-increasing need, along with strengthening public defense systems, to pursue reform efforts dealing with criminal-justice issues such as effective detection, investigation, and prosecution of crimes and the pursuit of public officials involved in criminal activity. The Agency's expertise working on the demand side of rule of law through civil society (as well as providing assistance to justice sector institutions where there is will to reform) has proven effective in a number of difficult environments.
- Although the mechanics of elections have become increasingly routinized in much of the developing world and the former Soviet bloc, truly competitive elections with broad-based participation continue to elude many countries. This can be due to relatively benign causes, such as a lack of resources or experience, or it can result from willful manipulation by governments in power. USAID is supporting free elections and competitive political processes through 35 regional and country programs.
- Not even a legitimate electoral process guarantees that the elected leaders will govern democratically

**Many governments still take an à la carte approach to the rule of law, often accepting commercial law reform while impeding advances in civil and political rights.**



**USAID has developed a handbook on fighting corruption that is being used throughout the international development community.**

or effectively. Political parties often lack capacity to truly aggregate political interests in ways that stimulate electoral competition. Another persistent problem is the need to improve access to the political process by traditionally excluded groups, such as women. Continually diminishing development resources threaten mechanisms such as targeted training programs, campaign assistance, and establishment of legal requirements for gender integration.

- Support to civil society remained the largest area of USAID's democracy funding and programming in 1999. Fostering citizen participation cuts across several stages of political development. In fact, support to civil society and the media is both a means and an end toward achieving the overall sustainability of democracy and overall development. In earlier stages of democratization, USAID assistance to nongovernmental organizations often stresses strengthening their capacity to promote human rights protection or to demand political change. Early support to the media also addresses capacity building. In later stages, the emphasis shifts to institutionalizing civil society input in the policy process and across several development sectors as well as the free flow of information to the public at large.
- USAID strategies seek to ensure that government institutions have sufficient capacity to respond to increased demands as advocacy by civil society becomes more effective. The Agency works in well over half of its missions to promote decentralization or democratic local governance. These programs encourage central governments to allow local bodies more authority over community affairs. The programs also strengthen the capacity of local governing entities and build more responsive and participatory governance at the local level. USAID also strengthens the ability of national legislatures to respond to public concerns and serve as a balance to other branches of government. Finally, the Agency's program to implement policy change develops and applies democratic change management techniques that are often instrumental in adopting democracy.
- Developing nations and international agencies are increasingly recognizing corruption as a pervasive problem and an impediment to both democracy and economic growth. Anticorruption activities have moved from a more limited concentration on accounting, fiscal management, and law enforcement to attacking corruption as a critical development issue. USAID has developed a handbook on fighting corruption that is being used throughout the international development community. Decentralization of authority and economic liberalization are continuing trends that present a variety of challenges and make building a foundation for governmental accountability and integrity all the more urgent. As more governments publicly commit themselves to addressing this problem, USAID has supported their efforts. At the same time, the Agency works with nongovernmental organizations to increase civil society oversight of government institutions.

Analysis of fiscal year 1998 performance by the regional bureaus also identified some noteworthy trends.

Throughout Africa, democracy is taking root, albeit slowly. Democratic institutions are being established, and the ability of civil society organizations and political parties to express themselves openly has increased significantly. In 1998, **Nigeria** began a transition from 30 years of military rule to a democratically elected government. It was the highlight of a challenging year for democratic development in Africa. Despite setbacks in **Angola, the Democratic Republic of the Congo, Eritrea, Ethiopia,** and **Zimbabwe**, there has been observable progress in sub-Saharan countries such as **Guinea, Mali,** and **Mozambique**. In Mali, for example, USAID's support for civil society organizations has significantly increased the ability of those organizations to press effectively for public policies at the national and local levels as the country implements a nationwide decentralization program.

USAID spent most of its democracy and good governance resources in Africa on civil society and governance programs. The Agency succeeded in building the capacity of African NGOs in several countries. Parliamentary strengthening activities also showed noteworthy results. In **Ghana**, where USAID worked to strengthen district assemblies and enhance their collaboration with civil society, the parliament began inviting civil society organizations to observe committee hearings. In **Senegal**, the Agency supported a pilot mobilization and education program, sponsored by a women's organization, on female genital cutting. (The procedure is traditionally practiced on girls aged 2 to 11.) Catching the national

spotlight, the women received praise for their efforts from the Senegalese president. In February 1998, parliament passed a law prohibiting the practice.

Overall performance was strongest in USAID programs in **West Africa**, followed by **southern Africa**, and then **East Africa**. West Africa's success in democracy and governance programming is mostly at the local level, where activities centered on decentralization and civil society. Nigeria is an exception, showing progress at both the local and national levels. More important, other development sectors are recognizing that open political environments are essential for long-term sustainable development. Consequently, coordination between sector programs is increasing throughout Africa.

One of the greatest challenges for missions remains how to adjust to the fluid political environments in which USAID operates. Conflict continued to affect the progress of democracy programs. The year 1998 was particularly challenging, as the regional involvement in the conflict in the **Democratic Republic of the Congo**, the resumption of hostilities in **Angola** and **Sierra Leone**, and the conflict between **Eritrea** and **Ethiopia** all had spillover effects on African democracy programming. In some cases, these rapid and difficult changes in the political context have resulted in poor performance of USAID's programs, such as those in Eritrea and **Liberia**. In others, the flexibility built into the enabling authority for transition programs allowed USAID to take advantage of opportunities as they emerged, such as the first-ever local elections in **Rwanda**.

Corruption is another particularly disquieting issue that drains a state's

**In some cases, rapid and difficult changes in the political context have resulted in poor performance of USAID's programs, such as those in Eritrea and Liberia.**

resources and lowers government legitimacy in citizens' eyes. Although many democracy and economic growth programs are beginning to address it, corruption remains a serious impediment to democratic consolidation in **Africa**. That continent has lagged behind some other USAID regions in addressing corruption, but there has been a sea change in African leaders' willingness to discuss the topic seriously. As a result, the Agency, working with the Global Coalition for Africa, has made significant progress toward an African anti-corruption convention. This momentum comes at a time when USAID's knowledge of corruption in the region and means of addressing it are increasing.

In several countries in **Asia and the Near East**, pressure for change is growing. This trend comes from below, either through grass-roots organizations or at the initiative of reform-minded local governments. Shortness of resources for building democracy in ANE during fiscal year 1998 made a sustained effort untenable in several countries of the region. Shortfalls in democracy and good governance funding are especially acute in South Asia, where potential exists and the needs are great.

Most democracy programs in Asia and the Near East channel resources to local NGOs to strengthen their analytic and outreach capacities. In **Cambodia**, USAID-supported coalitions of human rights and legal aid NGOs have attained the advocacy and outreach skills necessary to speak out against human rights abuses. The greatest obstacle to democracy in Asian and Near Eastern country programs is lack of the political will to engage in meaningful democratic reform. Without exception, support from the top is essential for the reform

of national institutions such as parliaments, judiciaries, and government ministries.

Given the heterogeneous nature of political development in Asia and the Near East, it is not surprising that the commitment to democracy varies widely. Although some countries in East and South Asia remain authoritarian, the elections in **Indonesia** make clear the potential for impressive advances in political development.

In both Indonesia and **the Philippines**, the Asian financial crisis has forced formerly taboo subjects, such as corruption and commercial law reform, into open public debate, creating opportunities to enhance the linkages between economic growth and democracy activities. For example, in the Philippines, USAID sponsored community-based workshops that contributed to the government's decision to privatize poorly managed electric and water utilities. In South Asia, to provide a counterweight to authoritarian rule, the limited democracy programs emphasize the rule of law and enhanced participation among disenfranchised groups.

With sustained USAID assistance, many civil society organizations have become effective advocates for policy and institutional reform. In **Bangladesh**, USAID-assisted NGOs have helped resolve a variety of community-level disputes, strengthening citizens' relations with local government.

In the Middle East and North Africa, autocratic monarchies, theocracies and military-backed governments predominate. Performance of democracy programs has been uneven, often hampered by a lack of political will from host governments. A new govern-

ment in **Lebanon**, however, elected on an anticorruption and good governance platform, has created opportunities for USAID to provide support for municipal level programming in those areas. Openings exist in **Morocco** and **Yemen** for political reform. In Morocco, USAID encouraged broadened public participation for environmental action and sees encouraging signs of opening to greater democracy. In the **West Bank–Gaza**, USAID-supported nongovernmental organizations have successfully championed a law to govern NGO operations, thus ensuring a more open environment for the debate of public policy issues. The law is widely considered the most progressive of its kind in the Middle East.

In Europe and Eurasia, assistance programs are now placing a much greater emphasis than in the past on interrelated legal and institutional reforms such as political processes, leadership capacity, rule of law, and government transparency and accountability at both national and local levels. This work is reinforced by helping to build civil society that includes public advocacy institutions such as public policy-oriented NGOs, think tanks, training institutions, “good government” associations, professional societies, consulting groups, and universities.

Corruption permeates most Eurasian economies and is a major impediment to foreign investment and the development and growth of the private sector. Moreover, the combination of corruption and the social costs of transition has eroded both political leadership and public support for reform. The model for democratic market reform, as understood by the people, has been discredited. To counter this trend, most elements of USAID country programs

support openness, transparency, deregulation, and discipline in indigenous institutions. Country programs such as those in the **Caucasus** adopt direct strategies to combat corruption and work through the media to educate the public and officials alike on its corrosive effects.

When political will for promoting policy change is lacking, USAID reaches out to a broader constituency and works at the grass-roots level to build an understanding of and demand for reform. That is the case, for example, in **Azerbaijan**, where USAID-funded programs support nongovernmental organizations with grants of less than \$5,000. An environmental NGO provided environmental lessons to children in Sumgait, one of Azerbaijan’s most polluted cities. Another grantee educated pregnant women about environmental hazards in the city of Ganja.

The authoritarian tendencies of many of the governments of the **former Soviet Union** need to be balanced with increased citizen advocacy, insistence on government accountability, and stronger institutions at the regional and local levels. Meanwhile, collaborative activities that enlist the private sector, local governments, and civil society organizations (including NGOs) can achieve significant results in solving the most pressing problems affecting people’s lives. Creating a web of such partnerships has the effect of building a broad base of citizen participation in setting policy, identifying priorities, and improving the delivery of needed services.

In **Ukraine**, assistance from USAID at the local level not only has visible impact on people’s lives but also improves public perceptions of and experience with democracy and eco-

**The authoritarian tendencies of many of the governments of the former Soviet Union need to be balanced with increased citizen advocacy, insistence on government accountability, and stronger institutions at the regional and local levels.**

Throughout central and eastern Europe, advocacy skills were strengthened in 1998 through training, technical assistance, and small-grants programs.

economic reforms. Evidence is growing that local governments with the capacity to exercise well-informed choices, in partnership with citizens, can solve problems, identify and maximize opportunities, narrow the gap between resources and responsibilities, and engage and influence the central government on policy issues. In both **Ukraine** and **Central Asia**, NGOs are using corporate challenge grants—dollar-for-dollar matches of donations from businesses—to form sustainable partnerships that serve their communities. In **Georgia**, independent mass media and NGOs supported by USAID successfully represent their constituencies, shape public opinion, and affect government policies.

Throughout **central and eastern Europe**, USAID has created a network of advocacy-oriented NGOs in democracy building, economic development, environment, and social-safety-net strengthening. Advocacy skills were strengthened in 1998 through training, technical assistance, and small-grants programs. USAID has engendered regional collaboration among reform-oriented NGOs and helped develop a legal basis for forming and operating NGOs throughout the region. In **Bosnia**, local media and other USAID-supported civil society organizations are effectively promoting positive political change.

In central Europe, where USAID has concentrated on post-presence issues, the development of democracy in the **Czech Republic, Hungary, Poland**, and **Slovakia** continues. While substantial progress has been made on civil liberties and political freedoms, democracy building in the northern tier is incomplete. To preserve the gains made in the NGO sector and in building civil

societies, post-presence funding and regional relationships must take hold. In Poland an indigenous support organization has been established to promote the long-term sustainability of the NGOs after USAID graduation.

In the **Baltic states**, USAID and the Open Society Institute have formed the Baltic–American Partnership Fund, a \$15 million foundation that supports NGO training and development. The fund was set up to continue strengthening civil society in a cost-effective way following USAID’s closeout in the region.

Progress in democratization in such Balkan nations as **Albania, Bulgaria, Bosnia, Croatia, Macedonia**, and **Romania**—while evident—continues to lag behind the northern-tier European countries, particularly in local governance, public administration, rule of law, and independent media. With USAID assistance, reform-minded governments are beginning to address these areas of democracy building. For example, USAID-financed anticorruption programs work closely with the governments of Bulgaria and Romania to strengthen the rule of law and support local government administrative and financial systems. With USAID assistance, Romania made exceptional progress this past year in adopting a local public finance law and is moving toward providing greater financial autonomy to local governments. In Albania, lack of a USAID presence (owing to security concerns) has probably contributed to the failure thus far to create the legal framework necessary to empower the current regime to govern. Even so, the Albanian citizenry approved a constitution that may gradually remove doubts about a government and judiciary that traditionally have been corrupt.



Substantial progress has been made in advancing democracy in **Latin America and the Caribbean**.

Transparent electoral processes are becoming the norm. Civilian governance has expanded. In many countries, this has been accompanied by a movement toward more professionalism in the armed forces. However, peacemaking and national reconciliation are still in process in several countries. Manipulation of constitutional provisions remains a problem in others. In LAC, human rights violations, while declining over the long term, reveal the distance many countries still must go to achieve judicial independence and justice reform. Although LAC countries have made progress in decentralizing services to the local level, hurdles remain before decision-making and resources can truly devolve to municipalities.

Democracy programs in the region closely track the U.S. foreign policy agenda, expressed in the 1994 Summit of the Americas process. The Summit Action Plan provides a framework for regional efforts to strengthen democratic principles and institutions; to develop common strategies in consolidating democracy and expanding commerce; to develop mechanisms that ensure the benefits of democracy and economic reform; and to integrate and reinforce existing hemispheric institutions.

Across Latin American and the Caribbean, a significant transformation of the justice system is under way in the form of increased use of oral adversarial trials. USAID's programs have helped create the changes needed to make this new system operational. They have been complemented by Agency efforts to help restore trust in justice and respect for human rights. We have made substantial inroads throughout the region:

- With USAID support, **Bolivia**, the **Dominican Republic**, and **El Salvador** have adopted new codes of criminal procedure, providing the basis for improved administration of justice, reductions in pretrial detention, and increased protection for individual constitutional rights. **Honduras** is poised to pass a similar code. In **Guyana**, USAID support to the justice sector resulted in a consolidated code and the creation of a computerized legal database.
- In **Peru**, legal clinics and reconciliation centers provided free services to the poor in more than 31,000 cases, 60 percent of them related to domestic violence or child-support cases brought by women.
- In the **Dominican Republic**, a USAID-funded automated criminal case-tracking system reduced time to trial by 50 percent. USAID also funded a public defender organization and provided assistance in drafting legislation for a public defender system.
- Judicial access is expanding in **Nicaragua** with the 1998 passage of legislation that created a public defender's office.
- The creation of national judicial councils in **Argentina, Bolivia, Chile, Costa Rica**, the **Dominican Republic, Ecuador, El Salvador, Mexico, Peru**, and **Uruguay** has furthered judicial careers, established continuing legal education programs, and helped ensure the judiciary's independence.

While gains in the rule of law have been impressive, the strengthening of local



**Programs to promote transparency and accountability exist throughout the LAC region.**

government is the fastest growing part of the LAC Bureau's portfolio. Eleven LAC Bureau missions now use local government improvement programs to advance good-governance objectives, such as increasing citizen participation and addressing transparency-accountability concerns. During fiscal year 1999, as part of a national peace plan, USAID/**Guatemala** launched an initiative to strengthen small and medium-size local governments in low-income regions of the country.

LAC regional activity has strengthened regional networking capacity among national associations of municipalities. It has improved the quality of in-service training provided by donors and improved information exchange on donor programs. As a result, in FY99, the bureau led a consensus of major donors in creating the International Forum for Cooperation on Local Government in Latin America and the Caribbean. The forum has begun operating with a USAID-financed technical secretariat.

Programs to promote transparency and accountability exist throughout the

region. They represent a variety of approaches, including fraud investigation courses for government officials, improved public sector management, and support for civil society watchdog groups. To catalyze mission programs, LAC has created a donor coordination mechanism and has initiated use of standard financial management systems in several countries. With the Agency's help, accountability measures have been put at the forefront of the multi-donor reconstruction effort in Central America following Hurricane Mitch.

USAID programs worked to strengthen civil society in 12 countries in the region, with particular emphasis on building partnerships with local government, creating alliances and coalitions among civil society organizations, and championing reforms. Other programs increased participation from traditionally excluded groups such as women and indigenous populations. The regionally supported Inter-American Democracy Network was expanded to link and transmit new methodologies for citizen participation to more than a hundred Latin American NGOs.

### **III. Agency Objectives By Operating Unit and Region**

Table 2.2 shows the distribution of USAID field-based democracy and good governance programs by region and objective. As in past years, civil society was the Agency's largest activity, undertaken by 64 field-based programs. All countries with USAID-supported democracy activities in **Africa** and **Europe and Eurasia** engage civil

society, making it the predominant program emphasis in the region. The largest area of programming in both **Latin America and the Caribbean** and in **Asia and the Near East** was promotion of the rule of law and human rights, with all operating units in the LAC region having rule-of-law and human-rights programs.

**Table 2.2. Agency Objectives by Operating Unit and Region**

	<b>Africa</b>	<b>ANE</b>	<b>E&amp;E</b>	<b>LAC</b>	<b>Total</b>
<b>Total field-based operating units</b>	29	16	25	17	87
<b>Total with democracy and good governance objectives</b>	23	11	21	15	70
Rule of law/human rights	12	9	11	15	47
Political processes	9	4	14	7	34
Civil society	23	8	21	12	64
Government institutions	20	7	15	12	54

*Note:* This table shows field-based operating units with strategic objectives in support of the democracy and good governance goal and Agency objectives. Operating units may have more than one democracy and good governance strategic objective. In addition, some of the operating units' strategic objectives support more than one Agency goal or objective. See annex B for details on distribution of programs in field-based operating units.

## **IV. Performance by Fiscal Year 1999 Annual Performance Plan**

### ***Fiscal Year 1999 Agency Democracy and Good Governance Performance Goal***

The fiscal year 1999 Annual Performance Plan contains one performance goal to assess overall progress in the strengthening of democracy and good governance: level of freedom and participation improved according to Freedom House global indices of freedom, civil liberties, and political rights.

In the FY99 APP, USAID committed to measuring trends in democracy and good governance through the Freedom House classification of countries as “free,” “partly free,” or “not free.”

Freedom House has been rating the level of freedom in countries worldwide since 1973. To determine its rating, Freedom House brings together prominent academics and development specialists to assess the level of political rights and civil liberties in each country. Scores are given for each of these categories on a scale of 1 to 7, with 1 representing the most free and 7 the least so. Freedom House then combines the civil liberties and political rights score to rate countries “free,” “partly free,” or “not free.”

Strengthened democracy and good governance, as measured by an increasing number of countries classified as “free” by the Freedom House Index, represents the ideal toward which USAID strives. Changes in the overall

**Many donors have recently become active in fields of democracy assistance that the Agency pioneered. They rely on USAID experience to devise their own programs and approaches.**

level of a country's freedom are high-level development goals. USAID recognizes that it cannot achieve these goals on its own. The Agency is a single actor (often a minor one) working alongside other national development agencies, multilateral agencies such as the United Nations and the World Bank, and (most important) the developing countries themselves.

The Freedom House survey therefore provides a useful overview of the state of democracy worldwide but is far less useful for measuring the Agency's impact on either a country or regional

level. Thus, we do not rely on the Freedom House measures to make programming decisions.

In many cases, USAID's democracy and good governance programs are restricted to smaller geographic areas or provide specific assistance such as NGO capacity building or legislative drafting. But progress in these more restricted areas indirectly contributes to changes at the national level. Equally important, changes in country context (as reflected by Freedom House) influence USAID programming priorities and directions.

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## **PERFORMANCE GOAL 1: LEVEL OF FREEDOM AND PARTICIPATION IMPROVED**

### **Performance Analysis**

In addition to success on the regional and country level, USAID has been a leader in promoting democracy and good governance for several years. As the Agency sharpens its skills in this new field, a wide variety of donors, implementing partners, and recipient countries are recognizing USAID's cutting-edge programming in this arena. Despite relatively low Agency resource levels for democracy promotion, USAID's leadership and value added are especially evident in three areas:

*Technical and intellectual leadership.* Other U.S. government agencies and international donors turn to USAID and its implementing partners for their expertise on best practices and lessons learned in democracy assistance. Many donors have recently become active in fields of democracy assistance that the Agency pioneered. They rely on USAID experience to devise their own programs and approaches.

*Moral leadership.* U.S. assistance in democracy is vital to providing leverage with other donors in this sector. A small contribution by the United States frequently sends a signal to others that the work is an essential element of political openings. As part of the U.S. commitment to help people participate in their own governance, USAID serves as an energetic and effective advocate for sustainable democratic change through consultations with various interested groups. They include the Organization for Economic Cooperation and Development, international financial institutions, multilateral and bilateral donors, and the private sector. Secretary of State Madeleine Albright's Community of Democracies initiative, implemented in large part through USAID, is an example of the Agency's leadership at work.

*Civil society.* USAID has worked with more organizations than perhaps any other donor in promoting democracy.

The experience of the Agency and of American civil society itself in supporting programs that strengthen civil society abroad are twin assets that give the United States a comparative advantage among donor nations.

To fully appreciate USAID’s cutting-edge role, one must also look to the discussion in chapter 6, “Provide Humanitarian Assistance” (Agency strategic objective 6.3). That chapter describes the pioneering work of the Office for Transition Initiatives. USAID’s work in democracy and in stabilizing conflict-prone societies knows neither time nor functional bounds. The Agency’s postconflict reconstruction

work lays the foundation of good governance and economic growth.

USAID’s fiscal year 1999 Annual Performance Plan set targets for improvements in Freedom House country rankings that called for a net increase during 1996–99 in the rankings by one country each in **Africa**, the **Near East** and **South** and **East Asia**, and **Europe and Eurasia**. No change was expected in **Latin America and the Caribbean**. These targets were exceeded, with 11 rather than 3 countries showing an overall improvement in their Freedom House rating. The performance goal targets were exceeded for all regions (see table 2.3).

## Performance Table From Fiscal Year 1999 Annual Performance Plan

**Table 2.3. Performance Goal 1: Level of Freedom and Participation Improved**

*Indicator:* Freedom House ratings (free/partly free/not free).

*Sources:* Freedom House, *Freedom in the World*; various editions; and USAID calculations.

		APP Baseline(1) 1996	Latest Actual (2) 1998	Target (3) 1998
<b>Agency Level</b>	planned			+3
	actual	<b>18/40/22</b>	<b>25/37/18</b>	<b>+11</b>
sub-Saharan Africa	planned			+1
	actual	5/10/9	5/12/7	+2
Asia–Near East	planned			+1
	actual	3/6/7	4/6/6	+2
Europe – Eurasia	planned			+1
	actual	6/12/6	7/12/5	+2
Latin America – Caribbean	planned			0
	actual	4/12/0	9/7/0	+5

*Note:* Data for this performance goal, as stated in the FY99 APP, are expressed as the number of countries classified as free, partly free, and not free by Freedom House’s annual survey of democracy.

1. The revised baseline represents the number of countries free/partly free/and not free for 1996 as expressed in *Freedom in the World, 1996–97*. The 1996 baseline was recalculated for all USAID-assisted countries on the basis of the revised USAID-assisted country list.

2. The actuals represent country status for 1998, as expressed in *Freedom in the World, 1998–99*.

3. The 1998 benchmark represents the positive change in countries. All regions had positive trends, where countries moved from partly free to free or not free to partly free. The planned net change is from the FY99 APP. The actual is the actual net change during 1996–98.

Impressive gains were made in the **Dominican Republic, Ecuador, El Salvador, Honduras, India, Nicaragua, and Slovakia**, where the overall rating improved from “partly free” in 1997 to receive a Freedom House rating of “free” in 1998.

In the **Dominican Republic**, USAID has supported the efforts of a democratically elected government to strengthen the administration of justice through a reform program directed at the Supreme Court. The court now has a public approval rating of 85 percent—perhaps the highest in Latin America.

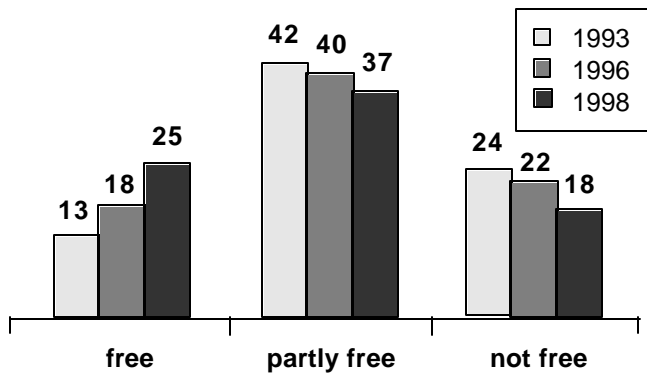
Even with impressive gains on the Freedom House scale, recent events in **Ecuador** demonstrate how fragile democracy remains in countries with weak institutional frameworks for sustaining positive change. A military coup, supported by indigenous leaders, ousted President Jamil Mahuad Witt. In a series of rapid events that ultimately restored the democratic process, his vice

president was installed as the new leader. In part, the rapid restoration of order and a legitimate succession process can be attributed to an important consensus that exists in Latin America about the primacy of democracy. Its dissolution is a situation that the community of nations in the region will no longer tolerate. That said, the Agency’s work in creating strategic alliances between NGOs and the public sector and the work to support legislative reforms can be credited with undergirding democratic values. The new Ecuadorian constitution, invoked after the coup, included an array of substantive areas that were formulated through USAID-supported advocacy efforts.

With greater internal stability, fewer instances of intercommunal violence, and the peaceful democratic transfer of power to an opposition-led government, **India** regained status as a free country. USAID’s primary democracy concern in India is to expand service networks for women. The Agency’s programs seek to increase women’s decision-making power by supporting indigenous organizations in the areas of microfinance for women, girls’ school participation, and combating violence against women.

In **Nicaragua**, relations between civilian authorities and the military contributed to the strengthening of democratic stability. Additionally, problems of indigenous peoples on the country’s Atlantic coast received greater attention from the national authorities. USAID supports Nicaragua’s post-Mitch objective to safeguard good governance and its guarantee that civil society will participate in reconstruction programs. Before the disaster struck, three advances had been realized: 1) Nicaragua had held free and fair

**Figure 2.2. Number of USAID-Assisted Countries Free, Partly Free, and Not Free In 1993, 1996, and 1998**



elections on the Atlantic coast, 2) human rights violations had declined, and 3) civil society had become increasingly active in the political arena.

A reformist-dominated government came to power in **Slovakia** through free and fair elections.<sup>2</sup> USAID provided substantial support for these elections, a turning point in Slovakia's history as an independent state. A critical factor in Slovakia's return to democratic political reform was "OK '98," a successful nonpartisan civic education effort conducted with USAID support by a group of initially 11 Slovak NGOs. USAID training of organizers and participants included financial and project management, coalition building, media relations, and advocacy skills. The civic campaign grew into a network of more than 50 NGOs across all sectors of civil society throughout Slovakia.

Four countries with USAID democracy assistance progressed from "not free" to "partly free." The downfall of the Suharto regime in **Indonesia** in May 1998 led to the reemergence of political parties and civic groups and the promise of free elections. Some political controls have been loosened, the media have become more outspoken, and political parties and movements have begun to gain strength. USAID has stepped up its efforts to strengthen the democratic transition already under way. Assistance has aimed at improving conditions for elections, strengthening the media, educating voters, and conducting activities to create public dialog.

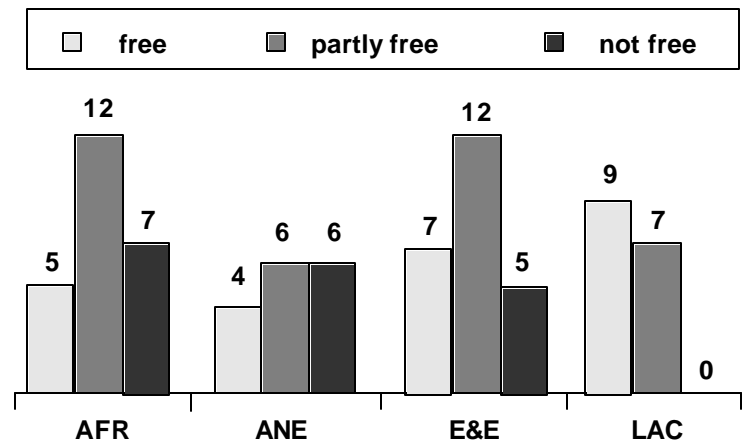
In **Nigeria**, the June 1998 death of military dictator Sani Abacha has since led to multiparty elections and expanded public debate. It has brought about a resurgence of political parties,

the return of exiled leaders, and an increasingly open press.<sup>3</sup> USAID has supported the training of newly elected officials and is expanding country programs to include support for political parties and the legislature.

Two other countries, Azerbaijan and Liberia, improved to "partly free." During 1997, **Azerbaijan** increased its efforts to negotiate a settlement to the Nagorno-Karabakh enclave and expanded the civil sector, though the 1998 reelection of President Haidar Aliyev was considered "unfair." In **Liberia**, "free and fair" elections in 1997 ended years of civil war. While Liberia was still considered partly free in 1998, renewed fighting and antidemocratic actions by President Charles Taylor have brought concern about prospects for long-term democracy in that country.

In addition to changes in their overall rankings, many USAID countries received higher individual ratings for civil liberties and political rights, sub-

Figure 2.3. Freedom House Classifications, 1998, for USAID-Assisted Countries





parts of the overall Freedom House rating. A total of 11 USAID-assisted countries registered perceptible improvement on the civil liberties scale of 1 to 7. Most notably, the **Dominican Republic** and **Jamaica** progressed from a score of 3 to 2, and the **Slovak Republic** jumped from 4 to 2. Three countries' rankings fell from 1997 to 1998, all from a score of 4 to 5: **Albania**, **Jordan**, and **Kyrgyzstan**.

Countries with improvements in their political rights ratings include **Cambodia**, **Indonesia**, and **Nigeria**, each of which moved from scores of 7 to 6. **Armenia** progressed from 5 to 4, **Colombia** and **Macedonia** from 4 to 3, and the **Dominican Republic**, **Ecuador**, and **Moldova** from 3 to 2. Two countries in Europe and Eurasia ended the year with poorer ratings: **Kyrgyzstan** slipped from 4 to 5, and **Russia** fell from 3 to 4.

In all four regions, the Freedom House target set in the FY99 Agency Performance Plan was exceeded. Few countries experience a change in their overall ranking each year. USAID projections were based on the assumption that countries gradually change their ratings. During 1998, there were sudden transitions where windows of opportunity appeared, as was the case in **Nigeria** with the death of Abacha or the resignation of President Suharto in **Indonesia**. But such political openings are difficult to foresee.

The Agency is requesting an increase in funding for the democracy and governance sector to meet previously projected needs as well as to accelerate democratization in countries undergoing an unexpected positive transition.

## Achievement Beyond Fiscal Year 1999 Plan Levels

See foregoing section, "Performance Analysis."

## Planned Actions for Unmet Fiscal Year 1999 Targets

All levels were met or exceeded.

## Revisions to the Fiscal Year 2000 Annual Performance Plan

In the fiscal year 2000 Annual Performance Plan, USAID added two performance goals drawn from the civil liberties and political rights ratings by Freedom House, which are subparts of the overall Freedom House ratings.

## Adjustments in the Fiscal Year 2001 Annual Performance Plan

Measuring democracy is not a science. We acknowledge that attempting to gauge democratization quantitatively fails to provide the information we need to measure success, to adjust programmatic approaches, and to effectively communicate results.

The Agency has grappled with this problem for almost a decade. For example, in 1992, in a report prepared for USAID by the National Research Council on assessing democracy, the Academy of Sciences noted that "only some of the changes that democratization programs could foster, such as increased voter turnout or reductions in the level of human rights abuses, can be readily quantified."

Over the past year, our experience has shown that it has not been instructive to compile and analyze quantitative democracy program performance measurement data from the missions on a global or regional basis. Drawing from the most recent research and analysis on democracy programming, it is clear that in order to understand the effect of the hundreds of different programs in all four sectors of USAID's democracy program, we must develop better qualitative analytical tools to support our work, and link it to broader foreign policy goals. In his recent work about democracy assistance, *Aiding Democracy Abroad*,<sup>4</sup> Thomas Carothers, of the Carnegie Endowment for International Peace, writes:

If evaluation of democracy programs is to improve, aid providers must give up the notion that the effects of democracy aid can be measured with calculators. They must accept that in-depth qualitative analysis is the only way to gain an understanding of political events and effects, and that many of the most important results of democracy programs are psychological, moral, subjective, indirect, and time delayed.

USAID is now considering ways to provide more qualitative assessments to its current "managing for results" framework. If we are to measure what we have done as an agency, then we will need to incorporate other forms of performance measurement to provide a true picture of results.

We still believe that Freedom House indicators for broad country and regional trends give us a general year-to-year look at the state of democracy

around the world. But such generalizations miss the nuances of democratic programming in the context of each USAID mission. While we continue to view trends on the Freedom House model because of its consistent methodology, we will not rely on its conclusions except to identify places where major events (such as greater democratic openings or closures) merit additional review.

But USAID cannot rely on these indicators as accurate measures of our own performance at the program level. Thus, we must consider the broad trends independently from our specific programs. We will need to advance our understanding of how our programs affect core political processes, not merely measure the number of laws that are passed or the number of people affected by USAID programs.

We will improve our methods of evaluation, including the use of more frequent polling, focus group analysis, and participatory research in the field. The revised methodology will also be supported by the policy research agenda of the Bureau for Policy and Program Coordination. That agenda includes work on such crosscutting issues as civil society and the role good governance plays in preventing deadly conflict. Such an approach will facilitate greater customer input to the process, since it takes into account not only customers' perceptions of a program's effectiveness but also their recommendations for improvement or change in direction.

Specifically, we plan to show our program impact through case studies, with examples from each region. In these studies we will explore whether USAID's programming in democracy is consistent with our technical leadership

**We still believe that Freedom House indicators for broad country and regional trends give us a general year-to-year look at the state of democracy around the world. But such generalizations miss the nuances of democratic programming in the context of each USAID mission.**

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in the field. We will seek to determine whether our resources can leverage other donors to provide similar funding in support of democracy and governance. We will also seek out examples of how our work with civil society might strengthen linkages between economic and democratic development. We will use recent policy analysis on democracy along with lessons learned and the best practices we understand to exist in the field.

Our challenge in the next year is to measure and express our results more comprehensively and qualitatively. Our approach must be one that can satisfy our need to measure our effectiveness in both the short and medium term while also providing informed judgment as to how best to invest our efforts in support of U.S. foreign policy.

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## Notes

<sup>1</sup>It is useful to think of democratization and good governance in terms of generations. First-generation *democratization* efforts take place in countries making a transition from war to peace or from an authoritarian government to a more open system. Second-generation *governance* activities take place where the basic components of democracy—elections, representation, civil society, and a functioning legal system—are more advanced. A continuing shift in resource allocations in fiscal year 1998—a proportionate increase in governance activities and a decline in election-related activities—reflects 1) a shift away from first-generation democracy issues toward second-generation consolidation and structural issues and 2) increasingly sophisticated activity programming.

<sup>2</sup>Adrian Karatnycky, “The Decline of Illiberal Democracy,” *Journal of Democracy*, 10:1, January 1999, p. 113.

<sup>3</sup>Ibid.

<sup>4</sup>Thomas Carothers. 1999. *Aiding Democracy Abroad*. Washington: Carnegie Endowment for International Peace.

# 3

## Strategic Goal 3:

### Build Human Capacity Through Education And Training

## I. Overview

In recent decades, most developing nations have made substantial progress in raising primary and secondary enrollment rates and achieving basic literacy. Yet many have a long way to go in achieving universal primary education. Moreover, the poor quality of education in these countries contributes to high rates of grade repetition and school dropout and conversely low levels of student learning. Limited access and poor quality affect girls more severely than boys, leading to significant gender gaps in primary and secondary school enrollment and completion.

USAID has strongly supported and has provided technical leadership for basic education programs for more than two decades. Despite considerable diversity among USAID-assisted countries, education sectors in the regions where USAID operates face common challenges. In Africa, Asia and the Near East, and Latin America and the Caribbean, expanding access to and improving quality and equity in basic education are the highest priorities. Although not as universal, access and quality issues in selected areas in Europe and Eurasia also call out for attention. While these regions achieved universal primary education, some countries are now backsliding because of inadequate resources and deteriorating school conditions.

In 1998, USAID basic education assistance helped countries develop and adopt policies that made basic education more accessible and improved its overall quality. USAID helped countries build institutional capacity to manage their basic education systems and train teachers more effectively. The Agency

promoted the adoption of innovative teaching methods and improved educational materials. It encouraged the use of technology, including distance learning<sup>1</sup> through radio and the Internet. And it promoted increased community participation in educational decision-making.

Education plays a key role in achieving sustainable social and economic development and in contributing to the emergence of strong democratic institutions. The linkages between education and USAID's other strategic goals are well established, especially in reducing fertility, ensuring improved family health and increased child survival, preventing and mitigating crises, fostering support for democracy and human rights, and accelerating economic growth through a more productive and adaptable work force.<sup>2</sup>

### ***Benefits to the American Public***

As people in developing and transitional countries become better able to address their nation's problems and manage their own development through better use of their own human resources, Americans benefit from the broader and more equitable participation of those countries in an increasingly knowledge-based global economy.

### ***Involvement of Other Donors and U.S. Government Agencies***

The Agency's objectives center on *expanding access to quality basic education*, especially for girls and women, and

*increasing the contribution of institutions of higher education to sustainable development.*

The Agency goal of basic education is closely aligned with targets set by the Organization for European Cooperation and Development's Development Assistance Committee.

USAID's experience across regions has demonstrated a number of promising approaches for achieving our basic objectives in expanding educational access, improving quality in the classroom, and reducing gender inequalities in school enrollments and completions. Experiments in decentralizing education through more community involvement in school management are beginning to show positive results in expanding educational access in remote areas without sacrificing quality (e.g., Brazil, El Salvador, Pakistan<sup>3</sup>).

The Agency's more recent experience with community schools in Ethiopia, Malawi, and Mali promises similar results. Women's literacy programs delivered through nongovernmental organizations (e.g., in Nepal) and distance learning programs using radio/cassette instruction for out-of-school youth and adults (e.g., in Honduras) have also shown positive results in expanding basic education for disadvantaged groups through alternative means.

Moreover, innovative interventions to improve educational quality are increasing school completion rates. The increased availability of better primary schools is reducing gender inequities in school enrollment and completion rates. Targeted approaches to remove specific barriers to girls' school participation (such as female teachers and administrators, gender-sensitive curriculum reform, gender training for teachers, scholarships and incentives, and social mobilization campaigns) are also narrowing the gap in those areas.

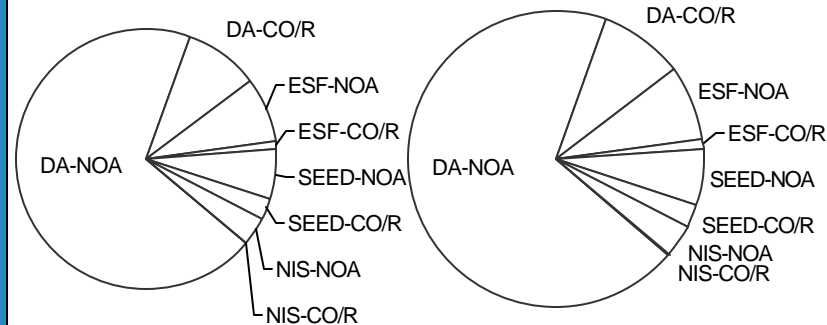
Experience also suggests several factors are necessary for ensuring and sustaining the gains made from these various approaches. These include host-government commitment to systemic educa-

**Figure 3.1. USAID-Managed Funds by Strategic Goal**  
*Build Human Capacity Through Education and Training*

All Accounts	Fiscal Year 1998		Fiscal Year 1999	
	\$US millions	Percent of total	\$US millions	Percent of total
<b>Development Assistance</b>	<b>141</b>	<b>78</b>	<b>134</b>	<b>35</b>
New Obligation Authority	125	69	131	35
Carryover/recoveries	16	9	3	1
<b>Economic Support Funds</b>	<b>17</b>	<b>9</b>	<b>81</b>	<b>22</b>
New Obligation Authority	15	8	76	20
Carryover/recoveries	2	1	5	1
<b>SEED</b>	<b>16</b>	<b>9</b>	<b>84</b>	<b>22</b>
New Obligation Authority	11	6	73	19
Carryover/recoveries	5	3	11	3
<b>NIS</b>	<b>6</b>	<b>3</b>	<b>79</b>	<b>21</b>
New Obligation Authority	6	3	52	14
Carryover/recoveries	0	0	27	7
<b>IDA</b>	—	—	—	—
<b>PL 480</b>	—	—	—	—
<b>Total</b>	<b>180</b>	—	<b>378</b>	—

**Fiscal Year 1998**

**Fiscal Year 1999**



tional reform (including budgetary support); partnerships among government, business, and civil society; and community participation at all levels. Alternatively, previous experience also demonstrates how a single-minded emphasis on expanding primary school access can result in crowding, which then undermines quality. This has been clearly demonstrated in many Latin American and Caribbean countries and more recently in Malawi.

Such lessons contributed to the decision by USAID/Egypt to shift its support from basic education in 1998 to greater emphasis on labor and work force and other education areas. As the fiscal year 2000 Annual Performance Plan points out, gender gaps in primary enrollment account for a large share of the overall shortfall from full enrollment in many countries.<sup>4</sup> The contributions of host-country institutions in finding solutions for addressing these and other development problems are further hampered by

underperforming colleges and universities. They generally lack the requisite skills, capacity, and resources to effectively meet local and national development needs.

In coordination with other donors and development partners, USAID seeks to help countries overcome problems of educational access and quality and more fully realize the potential contribution of education to achieving sustainable social and economic development. Major donors in primary education include 1) the World Bank, which has worked with USAID on radio education and adult literacy; 2) UNESCO, an innovator in early childhood education that has collaborated with USAID in attempting to improve the international database on national education statistics; 3) the Inter-American Development Bank, which has worked particularly closely with the Agency to restore education to victims of Hurricane Mitch; and 4) UNICEF, which helps children in crisis countries.

**Table 3.1. Involvement of Other Donors and U.S. Government Agencies**

<b>Major Donors</b>	Access to quality basic education, especially for girls and women expanded	Contribution of institutions of higher education to sustainable development increased
<b>International Organizations and Bilateral Donors</b>		
Canada	X	X
Denmark		X
European Union		X
Germany		X
IDB	X	
Sweden	X	
UNESCO	X	
United Kingdom	X	X
UNICEF	X	
World Bank	X	X
<b>Private Foundations</b>		
OSI(Soros)	X	X



Other bilateral donors include the Canadian International Development Agency, which is beginning to address issues of children with disabilities, and the Department for International Development, the British agency, which offers many programs aimed at improving the quality of education. The Association for the Development of Education in Africa was formed on that continent by the donors' foster collaboration and an exchange of information

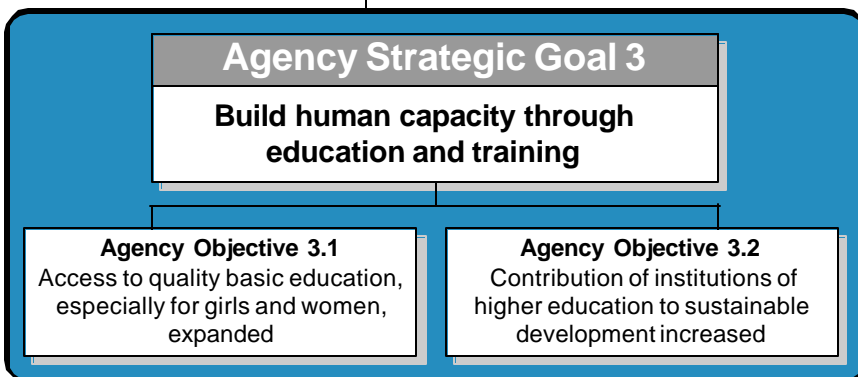
among funding agencies in the sector. It has since evolved into a structure designed to reinforce African ministries' leadership capacities, to encourage appropriate policies and programs, and to develop a consensus between ministries and funding agencies on approaches to the major education issues in Africa. The association includes varying levels of participation by 50 multilateral, bilateral, and private development organizations.

## II. USAID Strategies And Program Performance

While USAID's operating units (missions, regional bureaus, global programs) met or exceeded strategic objective targets for *basic education* in the human capacity development goal area in 1998, the Agency may not achieve its performance goals for basic education. This is largely due to the high level of the performance goals, which exceed USAID's manageable interest in countries where it works. Many countries will miss the Development Assistance Committee (DAC) targets of universal primary enrollment by 2015 and elimination of gender gaps, regardless of how well USAID missions perform. This is due to reasons ranging from poor government policies to economic, social,

and political conditions beyond the host government's reach. For example, in many countries, slow economic growth is eroding public revenues for education; the spread of AIDS in **Africa** and **South Asia** is depleting the ranks of qualified teachers; continued population growth is outpacing the number of available classrooms; and incidents such as civil strife and natural disasters disrupt normal school functions.

The Agency recognizes the need to adapt or modify DAC targets for basic education into appropriate USAID performance goals, rather than simply adopting only DAC targets as Agency performance targets. In addition, the usefulness of the performance goal indicators for measuring USAID performance in meeting the human capacity development basic education objective is limited, owing to the scarcity and lack of timeliness of UNESCO data on school enrollment and completion rates. Field missions often need to manage with more in-depth indicators other than the common indicators identified in the Annual Strategic Plan. They must rely on other "second best"



indicators, such as locally collected data or gross enrollment rates in place of net enrollment rates to fill in the gaps. Data problems contributed to the Agency's decision to drop the performance goal on completion rates in the fiscal year 2000 Annual Performance Plan.

The strategic objectives in *higher education* exceeded expectations during 1998 in the number of partnerships supported in the various regions. Yet, the indicator for this objective generally understates USAID's involvement in higher education. That is because of the blurred distinction in Agency reporting between using host-country higher education as a tool to achieve development results under the human capacity development (HCD) goal area and institutional strengthening of higher education to support other Agency goals or objectives. We are unable to adequately capture data or indicators of higher education partnerships that support specific objectives (e.g., energy, privatization) when they do not fall under the HCD goal. Recent development of a primary emphasis code for "higher education for host countries" may help clarify this distinction and the development of relevant secondary codes should reduce potential double counting for this indicator.

A more pressing issue is the continued absence of a satisfactory Agency performance indicator for measuring and reporting changes in the development contributions of host-country institutions of higher education that are attributed to USAID efforts.

Finally, the four performance goals fail to capture the full range of USAID performance under HCD. Most notably, the contribution of professional training in the United States, in third countries,

and at in-country institutions, as well as information technology applications, are not well reflected. As the Agency moves toward a new strategic framework, we are working on defining appropriate indicators for this goal area.

### ***Agency Objective 3.1: Access to Quality Basic Education, Especially For Girls and Women, Expanded***

The Agency's basic education objective particularly emphasizes expanding and improving the quality of primary education, especially for girls, while supporting preprimary and lower secondary education where conditions warrant. The objective also includes literacy programs for adults and out-of-school children. Agency performance goals in basic education consist of 1) the Development Assistance Committee target of full primary enrollment by 2015, 2) the DAC target of eliminating gender gaps in primary school enrollment, and 3) improved primary school completion rates and reduced grade repetition rates.

From a technical review of USAID's operational performance during 1998, we find that most of the Agency's 33 strategic objectives with basic education targets met or exceeded expectations. Twenty-one operating units exceeded targets, five met expectations, four failed to meet targets, and several others had mixed results.<sup>5</sup> A review of this performance against each of the HCD performance goals is presented in section IV, but the following summarizes the regional context and principal trends in basic education. It also gives highlights of Agency accomplishments during 1998.

**The Agency's basic education objective also includes literacy programs for adults and out-of-school children.**

In **sub-Saharan Africa**, a lack of access to basic education and low rates of school completion, especially among girls, are typical. Problems of limited access faced by many African countries are rooted in inadequate public funding of education overall. They are exacerbated by rapid population growth, cultural biases, and poor economic performance in the region over the past several decades.

As a result, many children, especially girls, do not even start school. Moreover, many drop out because of the poor quality of education offered, leading to low rates of school completion and learning—again, especially among girls. Despite those obstacles, primary school enrollment rates continued to increase during 1998 in the 10 countries receiving basic education program assistance (**Benin, Ethiopia, Ghana, Guinea, Malawi, Mali, Namibia, South Africa, Uganda, and Zambia**). Progress toward universal primary education appears more rapid in these countries than in other countries in the region, although the few countries with high initial primary school enrollments also report high dropout rates.

USAID basic education programs in the region have succeeded in bringing host governments and international donors together around a common agenda for education sector reform. The number of countries that have adopted an “education sector support” approach is steadily increasing. In 1998, positive results from this approach were evident in **Uganda**, where USAID assistance helped raise the share of the national budget spent on education and a corresponding increase in the share of budget for primary schooling. In addi-

tion, greater transparency and accountability in the budgeting process increased the share of funds actually reaching the schools to 80 percent in 1998, compared with 30 percent during 1991–95.

In **Latin America and the Caribbean**, almost all the children in USAID-assisted countries receive at least some primary education as a result of a sustained emphasis over the past several decades on expanding access. Girls now enroll in school at rates equal to or greater than boys at all levels of schooling in most of the region (except in countries where there are large rural indigenous populations); the average student–teacher ratio of 24:1 is comparable with the world average; and excellent progress has been made in increasing access and enrollment rates. Despite that progress, important equity and access issues remain among rural, indigenous, and poor populations—especially in **Guatemala, Haiti**, and pockets of other countries. Moreover, the quality of basic education in most of the region’s countries is poor, resulting in high repetition and dropout rates and low attendance in many schools.

USAID continues to support basic education in six Caribbean and Central American countries (**El Salvador, Guatemala, Haiti, Honduras, Jamaica, and Nicaragua**), with increasing emphasis on equity, quality, and efficiency at the primary level. The Bureau for Latin America and the Caribbean has identified secondary education as an emerging issue. In 1998, pilot efforts in curriculum design, materials production, new learning methods, bilingual and distance education, and community/parent involve-

ment in schools demonstrated tangible improvements in educational efficiency, quality, and equity that lend themselves for broader replication.

For example, innovative programs to improve quality in the classroom in USAID-sponsored model schools in **Nicaragua** resulted in increased sixth-grade completion rates that exceeded the national average by one half. In **Haiti**, teacher training and expanded use of an improved curriculum to include nonpublic schools helped raise the portion of primary school children completing sixth grade from 47 percent in 1995 to 64 percent in 1998.

**Guatemala**'s community schools' initiative in the department of Quiche realized enrollment gains for indigenous students in the region and corresponding increases in girls' school participation.

In Asia and the Near East, USAID provides basic education assistance to **Egypt, India, Morocco, and Nepal**, which share wide gaps in access to basic education between girls and boys. In these countries, the Agency concentrates on improving girls' access to quality basic education and increasing women's literacy. Pilot activities in Morocco yielded positive results during 1998 in increasing girls' primary enrollment and completion rates in selected rural schools. A gender-training program for teachers in the northern Indian province of Uttar Pradesh, together with a school meals program, increased girls' school participation in that region. During 1998, Egypt shifted away from a broad expansion of girls' education programs. That country's plans for launching its own version of *Sesame Street* progressed and are expected to contribute to early

childhood development for more than 2 million girls aged 3 through 6.

In **Europe and Eurasia**, primary and secondary enrollment rates are generally high, with greatly reduced problems of educational quality. Expanding access to and improving quality in early childhood and basic education, particularly for rural, low-income, and ethnic populations, are emerging issues in this region. USAID assistance centers on improving the contributions of the region's higher education institutions to the emergence of strong market economies and democratic governance. However, deteriorating economic conditions are bringing into question the initial assumptions of high rates of primary and secondary enrollment and the quality of education in these countries. Looking at recent evidence of declining enrollments and attendance, especially in the less developed areas, USAID is considering efforts for human capacity building in this region. They would increase support for systemic reform, with an emphasis on educating the younger generation to build human resources for the future.

### ***Agency Objective 3.2: Contributions of Institutions of Higher Education to Sustainable Development Increased***

A performance objective for higher education was adopted in 1997 in response to the American higher education community's concern over the stagnation of higher education institutions in developing countries and

**Egypt's plans for launching its own version of *Sesame Street* progressed and are expected to contribute to early childhood development for more than 2 million girls aged 3 through 6.**

their untapped potential to contribute more effectively to sustainable development. In 1998, USAID continued to foster partnerships between host-country colleges and universities and with local business, government, and the American higher education community.

USAID's focus on higher education has more recently included the contribution of postprimary education and training institutions to market-oriented work force development. While higher

education partnerships in **Europe and Eurasia** in 1998 concentrated on strengthening conditions for sustaining market-oriented, democratic societies, institutional partnering in **Africa** strengthens higher education institutions as a catalyst for improving basic education.

### III. Agency Objectives By Operating Unit and Region

Table 3.2 shows the distribution of field-based programs supporting Agency objectives for human capacity development during 1998. Accordingly, the table shows that 26 out of 87 field-based operating units had at least one strategic

objective under the human capacity development goal in 1998, with a total of 23 field-based programs supporting basic education and 8 supporting higher education.

**Table 3.2. Agency Objectives by Operating Unit and Region**

	<b>Africa</b>	<b>ANE</b>	<b>E&amp;E</b>	<b>LAC</b>	<b>Total</b>
<b>Total field-based operating units</b>	29	16	25	17	87
<b>Total with human capacity development objectives</b>	10	4	3	9	26
Expand access to basic education	10	4	0	9	23
Increase contribution of institutions of higher education	3	1	3	1	8

*Note:* This table shows field-based operating units with strategic objectives in support of the HCD goal and Agency objectives. Operating units may have more than one HCD strategic objective. In addition, some of the operating units' strategic objectives support more than one Agency goal or objective. See annex B for details on distribution of programs in field-based operating units.

## IV. Performance by Fiscal Year 1999 Annual Performance Plan

### PERFORMANCE GOAL 1: COUNTRIES INCREASE PRIMARY ENROLLMENT RATIO AT OR ABOVE THE INCREASE NEEDED TO ATTAIN FULL PRIMARY-SCHOOL ENROLLMENT BY 2015

Table 3.3 is taken from the fiscal year 1999 Annual Performance Plan. It provides the most recent data available through UNESCO on broad development trends in expanding access to primary school in USAID-assisted countries. Using the rate of increase in a country's net primary enrollment ratio,

this performance goal reflects progress toward the Development Assistance Committee target of attaining full primary enrollment (99 percent) by 2015.

A country is considered "on track" if its net primary school enrollment ratio is

#### Performance Table From Fiscal Year 1999 Annual Performance Plan

**Table 3.3. Performance Goal 1: Countries Increase Primary Enrollment Ratio at or Above the Increase Needed to Attain Full Primary-School Enrollment by 2015**

*Indicator:* Net primary enrollment ratio.

*Sources:* UNESCO; USAID calculations.

		Percent of Countries Meeting the Performance Goal			Average NPER	
		APP Baseline (1) 1993	Latest Actual (2) 1996	Target (3) 1999	1993	1996
<b>Agency Level</b>	<b>planned</b>	—		—		
	<b>actual</b>	—	<b>38</b>		<b>73.3</b>	<b>79.8</b>
sub-Saharan Africa	planned			31		
	actual	29	42		52.0	54.1
Asia—Near East	planned			86		
	actual	75	29		84.2	88.5
Europe—Eurasia	planned			81		
	actual	n/a	32		88.7	92.5
Latin America—Caribbean	planned			92		
	actual	88	50		83.7	88.1

*Note:* Europe and Eurasia reported too few data to provide a meaningful baseline comparison.

1. Baseline performance in the FY99 APP was based on the latest available data from UNESCO during the period 1985–93. To ensure comparability of data sets between the base and actual targets, baseline measures were recalculated to correspond with the same list of USAID-assisted countries used for calculating actual performance (N=80). In this table, the baseline figures did not change.
2. Calculations used to measure actual performance against the 1999 target reflect the latest available UNESCO data during the period 1994–96.
3. The 1999 target represents expected performance based on observable trends, over a period ending in 1999 and beginning after the baseline year.



**In Africa two countries (Namibia and South Africa) will have most certainly achieved universal primary education by 2015. Three countries (Malawi, Uganda, Zambia) have the potential to reach this target by 2015.**

increasing at a rate fast enough to reach full enrollment by 2015, *if that rate is sustained*. USAID believes the net primary enrollment ratio is important for tracking the progress of sustainable basic education, since it measures the proportion of children of official school age in the population who are enrolled in primary school. Net enrollment ratios adjust for overage or underage enrollments, but data are less readily available in many countries than are gross enrollment ratios. Many countries do not systematically collect and report this information, and published data through UNESCO often lag the period covered by several years.

Moreover, the net primary enrollment ratio is not the only measure of USAID performance. Changes in this area may result from multifaceted strategies brought to bear on school enrollment patterns (e.g., policy reform, sector investment plans, budgetary allocations, systematic teacher training). Agency activities alone may not be able to effect this goal. Achievement may rely on USAID and partners.

### **Performance Analysis**

Data for this performance table, as stated in the fiscal year 1999 Annual Performance Plan, are expressed as the percent of countries increasing net primary enrollment ratios at or above the rate of increase needed to attain full primary school enrollment by 2015, in accordance with Development Assistance Committee targets. The current growth rate was calculated as the percentage change in a country's enrollment ratio between the baseline period (latest year from 1985 through 1993) and the most recent year for which subsequent data were reported (1994–96). On the basis of a compari-

son between baseline measures and current enrollment data among USAID-assisted countries, net primary enrollment ratios appear to be increasing in every region.

But several countries in each region still do not meet the growth criterion under the performance goal. The gaps observed in the table between actual and planned performance in all regions (unmet targets in **Asia and the Near East, Latin America and the Caribbean, and Europe and Eurasia**, and exceeded targets in **Africa**) are attributable to the smaller number of countries reporting more recent data than that used in the baseline. Fewer than 40 percent of USAID-assisted countries (31 of 82) reported data for the 1994–96 period. That undermines the integrity of the measured regional averages shown.

In all basic education countries in **Africa** where there are adequate data, primary school enrollment rates have been steadily increasing since 1990. UNESCO enrollment data for three of these countries (**Ghana, Guinea, Uganda**), however, were not available to calculate trends). On the basis of partially overlapping data sources, two countries (**Namibia and South Africa**) will have most certainly achieved universal primary education by 2015. Three countries (**Malawi, Uganda, Zambia**) have the potential to reach this target by 2015.

In others, however, significant financial inputs will be required to reach the 2015 goal. Among these, **Benin** is making steady progress; **Ethiopia** and **Mali** recorded recent increases consistent with reaching the target, but their much lower current enrollment rates make ultimate success less certain.

Of the four basic education countries in **Asia and Near East**, only **Morocco** reported sufficient data to track current net primary enrollment growth. It is accordingly on track toward full enrollment by 2015. **Egypt** has also recorded sufficient progress in 1993–96 to reach the target, despite the absence of comparison data from previous years. **India** and **Nepal** have not reported net enrollment rates in recent years. Progress in other USAID-assisted countries in the region has tended to be better, reflecting the bureau’s concentration on countries where the problems are most severe.

Of the six **Latin American and Caribbean** countries with basic education programs in 1998, **Jamaica** reported full primary enrollment as of 1992, and **El Salvador** appears to be moving toward full enrollment by 2015. **Nicaragua** has recently experienced stagnant net enrollment rates and falls short of the required growth rate. Data from other countries in the region were less complete.

USAID does not support basic education in **Europe and Eurasia**. Since most countries in the region have generally high enrollment rates, many countries do not report net enrollment data anyway. That said, some declining trends are apparent.

### **Achievement Beyond Fiscal Year 1999 Plan Levels**

The regional shortfalls in meeting planned 1999 targets for an increase in the percentage of countries meeting the performance goal’s criterion are probably due to the reporting and measurement problems identified and discussed earlier. Largely in response to inad-

equated education statistics in many countries, USAID supported the development and testing of a new education survey in 1998 to be included with ongoing U.S. government demographic and health surveys. The survey can provide missions with a supplemental source of national basic education statistics, as well as other information on educational participation among different population groups.

Beyond these measurement problems, however, many countries will miss the Development Assistance Committee targets of universal primary enrollment by 2015, regardless of how well USAID missions perform. As discussed, this is because of the high level of this performance goal, which is beyond USAID’s manageable interest in many countries.

The Africa Bureau plans to address the expected shortfalls in meeting the performance goal targets through its continued efforts to promote an “education sector support” approach in all of its basic education countries.

The Bureau for **Latin America and the Caribbean** will coordinate its activities more closely with Inter-American Development Bank and World Bank efforts to expand secondary access in the region over the next five years. This is especially the case in providing leadership in policy, research, and implementation issues through demonstration projects.

The Bureau for Asia and the Near East plans to address the need for a greater investment in basic education, especially in **South Asia**, home to a large proportion of the world’s out-of-school children and an even larger share of out-of-school girls. Literacy will be a major issue in the coming strategy period,

given low and persisting literacy rates in countries without basic education programming (e.g., the literacy need in **Bangladesh** and **India** is as great as the need in **Morocco** and **Nepal**).

Finally, the Bureau for **Europe and Eurasia** is reconsidering its emphasis on higher education under the human capacity development goal (given recent evidence of declining school enrollments), to include increased support in future programming for systemic reform and provisions for sustaining educational levels thus far achieved.

### **Revisions to the Fiscal Year 2000 Annual Performance Plan**

Several changes have been made in measuring the net enrollment indicator for the fiscal year 2000 Annual Performance Plan. They include 1) adjustments in the time periods for baseline measurements to accommodate the scarcity of net enrollment data, 2) a change in the method for calculating the percentage of countries in each region meeting the growth criterion (the basis is now the number of countries with relevant data, rather than the total number of assisted countries), and 3) a

change in the target levels designated for “full” primary enrollment from 99 percent to 100 percent by 2015.

### **Adjustments to Be Included in the Fiscal Year 2001 Annual Performance Plan**

The performance goal was changed to read “national primary enrollment ratios increase to attain full primary enrollment by 2015.” The Agency is also considering developing midlevel indicators of results. We are examining the feasibility of constructing measures based on changes in enrollment ratios and completion rates based on target populations that missions believe are within their manageable interests.

In some cases, this would reflect changes at the national level. But in many cases, measurement would cover more limited geographic areas or apply to selected segments of the population. Recent evaluations indicate that we should look at expanding the set of trend indicators to include one or more system indicators, such as primary education’s share of total education expenditures and the share of nonsalary recurrent costs in the primary education budget.

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## **PERFORMANCE GOAL 2: GROSS PRIMARY ENROLLMENT RATIOS FOR GIRLS AND BOYS DIFFER BY NO MORE THAN 5 PERCENT**

Using the difference between girls’ and boys’ gross enrollment ratios, this performance goal reflects progress toward the Development Assistance Committee target of reducing gender gaps in gross primary enrollment ratios to less than 5 percent by 2015 (see table 3.4). The gross enrollment ratio reflects the total number of children enrolled,

regardless of age, compared with the total number of children of official school age in the population. Although data on gross primary enrollment ratios are available in most assisted countries, the interpretation is complicated by inclusion of overage and underage children in the numerator.

## Performance Analysis

Regional performance is assessed on the basis of the share of countries in each region that have reduced their gender gaps in enrollment ratios to less than 5 percent in 1998. The latest data show an increase in the percentage of countries meeting this criterion for all regions except **Asia and the Near East**. A comparison of the gender-equity ratios among USAID-assisted countries shows declining trends in gender gaps across the regions. However, these regional averages conceal persistent gaps in many countries, especially some in

**Africa** and in **Asia and the Near East** with low overall access to basic education.

In Africa, only **Namibia** and **South Africa** currently have gender gaps of less than 5 percent. Gaps in most other basic education countries have declined over time, with the exception of **Ethiopia**, **Zambia**, and some mixed trends in **Uganda**.

Progress in reducing gender gaps has been more consistent among the four **Asian and Near Eastern** basic education countries. In **Latin America**

### Performance Table From Fiscal Year 1999 Annual Performance Plan

**Table 3.4. Performance Goal 2: Gross Primary Enrollment Ratios For Girls and Boys Differ by No More Than 5 Percent**

*Indicator:* Difference between gross enrollment ratios for girls and boys.

*Sources:* UNESCO; USAID calculations.

		Percent of Countries Meeting the Performance Goal			Gender Equity Ratio	
		APP Baseline (1) 1993	Latest Actual (2) 1996	Target (3) 1999	1993	1996
<b>Agency Level</b>	<b>planned</b>					
	<b>actual</b>	<b>63</b>	<b>65</b>		<b>0.92</b>	<b>0.92</b>
sub-Saharan Africa	planned			42		
	actual	24	28		0.79	0.80
Asia – Near East	planned			50		
	actual	55	44		0.90	0.90
Europe – Eurasia	planned			100		
	actual	83	91		0.98	0.98
Latin America – Caribbean	planned			89		
	actual	91	92		0.99	0.96

*Note:* Baseline performance in the fiscal year 1999 Annual Performance Plan was expressed as the percentage of countries with relevant data in each region that brought the gender gap in gross primary enrollment ratios under 5 percent by 1993, based on the latest available data during the period 1985–93. To ensure comparability of data sets between the base and actual targets, baseline measures were recalculated to correspond with the same list of USAID-assisted countries included in the calculations of actual performance (n=82). The APP 1999 target represents expected performance based on observable trends, over a period beginning after the baseline year and ending in 1999. Calculations used to measure actual performance against the 1999 target reflect the latest available data during the period 1994–96. While new baseline figures reflect the percentage of all assisted countries in each region that met the goal criterion, figures on actual performance reflect the percentage of assisted countries that reported new data since their baseline year. Only a small number of countries (4 of 82) failed to report new data for the 1994–96 period.

*Source:* UNESCO Statistical Yearbook, 1998.

**While Bureau for Latin America and the Caribbean programs will continue to address gender disparities in targeted areas, the ANE Bureau plans to review its exclusive attention to girls' and women's education to ensure that gender issues are fully integrated into systemic educational reform.**

**and the Caribbean**, where girls' enrollment rates are equal to or greater than boys in many countries, only **Guatemala** still has a primary gender gap of more than 5 percent. The data for **Haiti** are too dated to describe the current situation. Recent declining enrollments in **Europe and Eurasia** may lead to slippage of the gender gap.

### **Achievement Beyond Fiscal Year 1999 Annual Performance Plan Levels**

Unmet targets in **Asia and the Near East** are primarily attributable to the lack of current data reported by several key countries. In several countries in **Africa**, USAID's progress in reducing the gender gap was below target because increasing girls' enrollment rates also contributed to the increases in boys' enrollment rates.<sup>6</sup> Although increased enrollment for all children in these countries is welcomed, strategies for addressing specific barriers to girls' participation through Global/Women in Development programs will support regional efforts to reduce persistent gender gaps in school enrollments. While Bureau for **Latin America and the Caribbean** programs will continue to address gender disparities in targeted areas, the ANE Bureau plans to review its exclusive attention to girls' and women's education to ensure that gender issues are fully integrated into systemic educational reform.

### **Revisions to the Fiscal Year 2000 Annual Performance Plan**

To obtain a more accurate measure, the FY99 APP indicator for this perfor-

mance goal was changed in the FY00 Annual Performance Plan. Rather than calculating the difference between male and female gross enrollment ratios, the fiscal year 2000 APP examines the gender equity ratio. This is the ratio of girls' gross enrollment ratio to boys' gross enrollment ratio, where 1 represents full equality in enrollment rates. The FY00 APP examines the gap between a country's primary gender equity ratio and 1, expressed as a percentage.

An additional change in the target levels for the performance goal in the FY00 APP is the virtual elimination of the difference between male and female gross enrollment ratios, rather than minimizing the gap.

### **Adjustments to Be Included in the Fiscal Year 2001 Annual Performance Plan**

As suggested in the foregoing, the performance goal contained in the Agency's FY01 APP was changed to "the difference between girls' and boys' primary enrollment ratio virtually eliminated." Although we plan to continue to track the existing parity measures, we plan to shift from the existing "growing toward full enrollment by 2015" measure to one based on an unweighted average of primary net enrollment ratios.

## PERFORMANCE GOAL 3: PRIMARY SCHOOL COMPLETION RATES IMPROVED

Agency performance in improving primary school completion rates is measured on the basis of the percentage of students reaching the fifth grade. Grade 5 is used to increase cross-country comparability because the duration of primary schooling varies from 3 to 10 grades across countries. Data for the indicator are based on UNESCO estimates, which use data on

average promotion, repetition, and dropout rates for two consecutive years to calculate the flow of students from one grade to the next (i.e., the Reconstructed and Apparent Cohort Methods). But when repetition rates are relatively high and vary between grades, this method may overestimate or underestimate the survival rate to fifth grade. Unfortunately, UNESCO data on

### Performance Table From Fiscal Year 1999 Annual Performance Plan

**Table 3.5. Performance Goal 3: Primary School Completion Rates Improved**

*Indicator:* Percentage of cohort enrolling in grade 5.

*Sources:* UNESCO; USAID calculations.

		Percent of Cohorts Enrolling in Grade 5		
		APP Baseline (1) 1993	Latest Actual (2) 1996	Target (3) 1999
Agency Level	planned			
	actual	73	74	
sub-Saharan Africa	planned			71
	actual	69	65	
Asia – Near East	planned			84
	actual	79	87	
Europe – Eurasia	planned			89
	actual	96	92	
Latin America – Caribbean	planned			72
	actual	67	74	

*Note:* Data for this performance goal, as stated in the fiscal year 1999 Annual Performance Plan, are expressed in terms of the percentage of countries that are achieving real per capita growth rates of at least 1 percent. An average of annual growth rates for five-year periods is first calculated for real GDP and population for each country to determine whether it meets the 1 percent threshold.

1. Baseline performance in the FY99 APP was based on the latest available data from UNESCO during the period 1985–93. The revised baseline represents the percentage of countries with average per capita growth rates over 1 percent for the five-year period ending in 1996. 1996 baselines and targets were recalculated for all USAID-assisted countries based on the revised USAID-assisted country list.

2. Calculations used to measure actuals represent data based on a five-year average ending in 1998.

3. The 1999 target represents expected performance based on observable trends, over a period ending in 1999 and beginning after the baseline year.

To ensure comparability of data sets between the base and actual targets, baseline measures were recalculated to correspond with the same list of USAID-assisted countries used for calculating actual performance (N=80). In this table, the baseline figures did not change.



**FY99 targets for improved completion rates under this performance goal, in terms of increases in the cohort reaching fifth grade, were exceeded in Latin America and the Caribbean and Asia and the Near East but not met in Africa. Yet, of the few countries reporting new data since their baseline year (23 of 82), only 3 increased their completion rates in 1998.**

completion rates tend to be even less complete and timely than those of enrollment figures. While this indicator provides valuable if indirect information on educational quality, the scarcity of data makes it difficult to track regional trends in a way that lends itself to external reporting or internal decision-making. In addition, this performance goal does not fully reflect USAID performance in achieving improvements in educational quality.

### **Performance Analysis**

Table 3.5 indicates that FY99 targets for improved completion rates under this performance goal, in terms of increases in the cohort reaching fifth grade, were exceeded in **Latin America and the Caribbean** and **Asia and the Near East** but not met in **Africa**. (**Europe and Eurasia** presents a mixed picture, given the revised baseline.) Yet, of the few countries reporting new data since their baseline year (23 of 82), only 3 increased their completion rates in 1998. These were **Ecuador, El Salvador**, and **Namibia**.

### **Achievement Beyond Fiscal Year 1999 Annual Performance Plan Levels**

While increases in the cohort reaching fifth grade in both Ecuador and El Salvador partly explain the exceeded targets shown for the LAC region in table 3.5, Namibia's reported increase failed to offset other unmet targets in Africa. The scarcity of data for this indicator, especially for calculating current performance in relation to the baseline used in the FY99 APP, undermines the significance of the measures reflected in this table.

### **Planned Actions for Unmet Fiscal Year 1999 Targets**

The indicators on completion rates are wide ranging and represent multifaceted approaches used by Agency operating units for achieving this goal. Slightly more than one fourth of the strategic objectives for basic education (9 of 33) cluster around indicators reflecting primary school completion rates such as specific grade completion rates, exam pass rates, dropout rates, and survival rates to grade 5. While clustering on this indicator indicates broad interest in addressing issues of quality in basic education, the lack of standards or shared definitions on "completions" makes cross-country or regional comparisons problematic.

### **Revisions to the Fiscal Year 2000 Annual Performance Plan**

This performance goal and the corresponding indicator were eliminated in the FY00 APP. This performance goal is not being used in the APP planning process for FY00 because so few USAID missions use or report this indicator regularly. We will urge host countries to report this vital indicator and monitor whether we can use it in the future.

### **Adjustments to Be Included In the Fiscal Year 2001 Annual Performance Plan**

USAID will continue to evaluate use of this indicator as a target.

## PERFORMANCE GOAL 4: ENHANCED RESPONSIVENESS OF IN-COUNTRY INSTITUTIONS OF HIGHER EDUCATION TO LOCAL AND NATIONAL DEVELOPMENT NEEDS

Although USAID considers improved performance by institutions of higher education (see table 3.6) to be an important objective, the indicator used for measuring performance under this goal (number of partnerships formed) does not capture the full extent of the Agency's involvement with host-country higher education. This is due to the blurred distinction in Agency reporting between using host-country higher education as a tool to achieve development results under the human capacity development goal area and institutional strengthening of higher education to support other Agency goals or objectives.

The recent development of a primary emphasis code for "higher education for host countries" may help clarify this distinction and reduce potential double counting for this indicator. That may help us develop a more satisfactory performance indicator for measuring and reporting changes in the development contributions of host-country institutions of higher education.

In addition to the number of partnerships formed, other measures that reflect the responsiveness of higher education to development needs include the share of funding from user charges, the

### Performance Table From Fiscal Year 1999 Annual Performance Plan

**Table 3.6. Performance Goal 4: Enhanced Responsiveness of In-Country Institutions of Higher Education to Local and National Development**

*Indicator:* Number of institutional higher education partnerships formed.

*Sources:* USAID R4s and USAID calculations.

		APP Baseline (1) 1997	New Starts (2) 1998	Target (3) 1999
<b>Agency Level</b>	<b>planned</b>			<b>25</b>
	<b>actual</b>	<b>8</b>	<b>31</b>	
sub-Saharan Africa	planned			5
	actual	1	17	
Asia – Near East	planned			5
	actual	1	4	
Europe – Eurasia	planned			11
	actual	6	n/a	
Latin America – Caribbean	planned			4
	actual	0	10	

*Note:* This indicator measures the number of partnerships formed during the year that are designed to facilitate the responsiveness of in-country colleges and universities to local and national development needs. The baseline figures indicate new starts in 1997. The APP 1999 target reflects anticipated new starts for the period ending in 1999. Figures include partnerships facilitated by Global/HCD through the Historically Black Colleges and Universities Initiative, the University Development Linkages Project, the cooperative agreement with the Association Liaison Office for University Cooperation in Development, and programs sponsored by the Bureau for Europe and Eurasia.

budget allocated to higher education, and other institutional development indicators that may be relevant. The Bureau for Europe and Eurasia has developed institutional indicators that take into consideration programmatic, organizational, and financial factors.

### **Performance Analysis**

The number of partnerships formed during 1998 exceeds expectations specified in the FY99 APP for most regions. This may be attributable to a recent revision in the reporting code used for reporting FY99 performance on higher education, which was designed to reduce potential double counting and confusion on how missions should report their higher education activities.

### **Planned Actions for Unmet Fiscal Year 1999 Targets**

The four strategic objectives with higher education targets in FY99 demonstrate different emphases of higher education programs in strengthening contributions of host-country institutions to development, rather than reflect any patterns in clustering around indicators. These include the number of USAID-trained historically disadvantaged people assuming increased responsibilities, targeted organizations internally producing enhanced roles for historically

disadvantaged people, the number of host-country higher education institutional responses to development needs, and the percentage of students enrolled in selected, relevant higher education institutions from traditionally disadvantaged groups.

### **Revisions to the Fiscal Year 2000 Annual Performance Plan**

The fiscal year 2000 Annual Performance Plan more clearly defines this goal as increasing the number of host-country higher education institutions with teaching, research, and community outreach and service programs that respond to national or local service, educational, or economic development needs. Despite general agreement regarding the inadequacy of the indicator used for measuring this goal (e.g., “number of interinstitutional partnerships formed”), a more meaningful measure has not yet been identified.

### **Adjustments to Be Included in Fiscal Year 2001 Annual Performance Plan**

We are currently evaluating other potential indicators that might be included in the FY01 APP.

## **Notes**

<sup>1</sup>Distance learning (also, distance education) is planned learning that normally occurs in a different place from teaching and as a result requires special techniques of course design, special instructional techniques, special methods of communication, by electronic and other techniques, as well as special organization and administrative arrangement.

<sup>2</sup>See discussion of linkages/sources in fiscal year 1998 Annual Performance Report.

<sup>3</sup>World Bank. 1998. *Assessing Aid: What Works, What Doesn't, and Why*. World Bank Policy Research Report. Washington: Oxford University Press, pp. 108–11.

<sup>4</sup>USAID. 1998. *Annual Performance Report, 1998*. Washington, p.63.

<sup>5</sup>Final data packets for human capacity development goal review, ISTI Report, June 1999. Based on PMA Database, strategic objective-level targets for increased access under performance goal 1 were not met in **Guinea** and **El Salvador**; gender targets under goal 2 were not met by Global/Women in Development SSO; and quality improvements were not met in India under goal 3.

<sup>6</sup>See human capacity development goal review notes and R4s.

## I. Overview

Enormous gains have been made in protecting human health and stabilizing population growth. Around the globe, millions of children's lives have been saved, and fertility rates have continued to decline. As a global leader and one of the largest bilateral donors in the population, health, and nutrition (PHN) sector, USAID can claim significant credit for these achievements. In collaboration with the development community, its programs contribute significantly to progress toward the performance goals in the fiscal year 1999 Annual Performance Plan. The Agency pursues diverse strategies and programs to address widely different country contexts and health care systems of varying capacity.

However, to make further progress in health and to safeguard the health gains achieved during the past two decades, the Agency needs to address changing disease burdens and shifting demographics. The greatest obstacles are the HIV/AIDS pandemic, stagnant rates of immunizations, the emergence of antimicrobial-resistant strains of infectious diseases such as tuberculosis and malaria, and an increasing population of adolescents. At the current pace, it will be difficult to meet development goals for 2007 in Africa. In that region, we see that the effects of these trends and the continuing burden of disease caused by diarrhea and pneumonia are taking a devastating toll on development.

### *Benefits to the American Public*

USAID's programs to stabilize the world's population and protect human health lead to a better quality of life for individuals in the developing world while also serving U.S. national interests by contributing to global economic growth, a sustainable environment, and regional security. Reducing illness, death rates, and population pressures also lowers the risk of humanitarian crises.

Improving women's reproductive health, another aim of USAID's programs, is pivotal to achieving sustainable development. The ability of women to meet their own basic health needs, including access to quality family planning services, heightens their independence and self-esteem while improving their ability to participate in family, community, and economic endeavors.

Protecting human health, including nutrition, in developing and transitional countries also directly affects public health in the United States. Unhealthful conditions elsewhere in the world increase the incidence of disease and pose a threat of epidemics that might directly affect U.S. citizens.

The United States has a direct, compelling interest in population, health, and nutrition issues worldwide—whether the aim is to protect the health of Americans or to reduce the human suffering that often produces chaos and conflict.

# 4

## **Strategic Goal 4:**

## **Stabilize World Population And Protect Human Health**

## ***Involvement of Other Donors and U.S. Government Agencies***

USAID-assisted countries' efforts to help themselves are primarily responsible for their reaching development

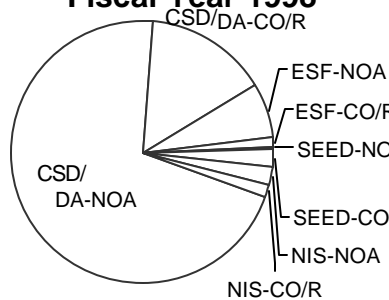
milestones. But development assistance plays a vital role in supporting each country's own initiatives, providing financial and technical resources that would otherwise lie beyond their reach. Particularly concerning population, health, and nutrition, many countries and organizations have become stakeholders in global progress. USAID's PHN development goals are, therefore, goals embraced by a larger community beyond the host country and USAID—international financial institutions, private foundations, and member countries of the OECD Development Assistance Committee. Thus we refer to areas of collaboration with other organizations throughout the discussion of Agency performance in the PHN sector.

There is much evidence that USAID has been one of the intellectual leaders within this larger community. It has influenced the direction and content of a wide range of donor activities in areas such as health care reform, HIV/AIDS, polio, infectious diseases, vaccine development, integrated management of childhood illness, birth spacing, and expansion of vitamin-A supplementation programs. In addition, USAID has leveraged technical and financial resources from multilateral and bilateral donors and foundations to support Agency programs.

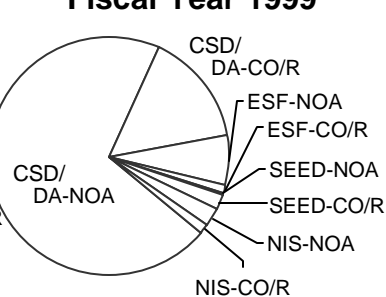
**Figure 4.1. USAID-Managed Funds by Strategic Goal**  
*Stabilize World Population and Protect Human Health*

All Accounts	Fiscal Year 1998		Fiscal Year 1999	
	\$US millions	Percent of total	\$US millions	Percent of total
<b>Child Survival and Disease/Development Assistance</b>	<b>972</b>	<b>86</b>	<b>920</b>	<b>80</b>
New Obligation Authority	798	71	846	74
Carryover/recoveries	173	15	74	6
<b>Economic Support Funds</b>	<b>89</b>	<b>8</b>	<b>122</b>	<b>11</b>
New Obligation Authority	76	7	106	9
Carryover/recoveries	13	1	17	1
<b>SEED</b>	<b>27</b>	<b>2</b>	<b>10</b>	<b>1</b>
New Obligation Authority	3	0	8	1
Carryover/recoveries	23	2	2	0
<b>NIS</b>	<b>41</b>	<b>4</b>	<b>97</b>	<b>8</b>
New Obligation Authority	25	2	88	8
Carryover/recoveries	16	1	10	1
<b>IDA</b>	—	—	—	—
<b>PL 480</b>	—	—	—	—
<b>Total</b>	<b>1,129</b>	—	<b>1,149</b>	—

**Fiscal Year 1998**



**Fiscal Year 1999**



USAID collaborates with several other U.S. government agencies. For instance, the U.S. Department of Agriculture and USAID provide food aid to low-income food-deficit countries. Table 4.1 shows

the areas where involvement of other donors and U.S. government agencies intersect with USAID's primary interests in the PHN sector.

**Table 4.1. Involvement of Other Donors and U.S. Government Agencies**

<b>Major Donors</b>	<b>Health Reform</b>	<b>Family Planning</b>	<b>Child Health</b>	<b>Maternal Health</b>	<b>HIV/AIDS</b>	<b>Infectious Disease</b>
<b>International Organizations and Bilateral Donors</b>						
Canada	X		X			X
Denmark	X	X	X	X	X	X
European Union	X	X	X	X	X	X
Japan		X	X	X	X	X
Netherlands	X	X	X	X	X	X
Norway	X	X	X	X	X	X
Sweden	X	X	X	X	X	X
UNAIDS					X	
UNFPA		X		X	X	
UNICEF			X	X	X	X
United Kingdom	X	X	X	X	X	X
USAID	X	X	X	X	X	X
WHO	X	X	X	X	X	X
World Bank	X	X	X	X	X	X
<b>Private Foundations</b>						
Aga Khan	X		X	X		X
Ford		X			X	
Gates		X	X	X	X	X
Packard		X				
Rockefeller		X		X	X	
Soros	X		X		X	X
Turner (UN Fund)		X	X		X	X
<b>U.S. Agencies</b>						
Agriculture			X			
Commerce					X	
Hlth&HmServices	X	X	X	X	X	X
State		X			X	X
Treasury					X	



## II. USAID Strategies And Program Performance

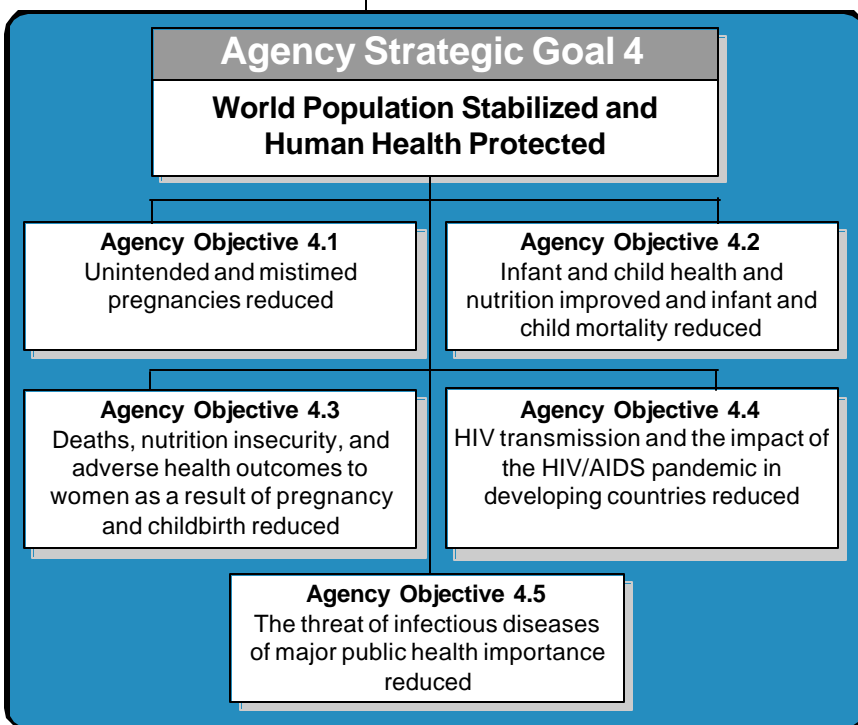
### *Objectives, Strategies, Performance Goals, And Indicators For Population, Health, and Nutrition*

Five objectives underpin the overarching Agency goal. Each objective is pursued through a defined strategy with interventions at the country, regional, and global levels. In the fiscal year 1999 Annual Performance Plan (FY99 APP), performance goals, indicators, and targets were identified for four of the five objectives. A performance table (with the performance goal, indicator, and target) for the infectious diseases objective (4.5) was to be established during FY98; it does not appear in the FY99 APP (which was written in 1997) but will be included in subsequent reports.

Indicators related to the performance goals are intended to track regional and global progress toward achieving the Agency's objectives. These indicators reflect the efforts of all development partners, including host countries, other donors, and the private sector. Some country-level and regional initiatives are directed at improving policies in host countries and at reforming, restructuring, and strengthening health care systems. Although in the past year many achievements have emerged in these areas, particularly in the **Latin America and Caribbean** and **Europe and Eurasia** regions, the Agency Strategic Plan includes no explicit objective that encompasses these programs, and they were not addressed in the FY99 APP. They are therefore underreported in this Agency performance report.

### *Program Accomplishments*

Strategic objective monitoring reports, used to assess short-term program effectiveness, form the core of the Agency's PHN performance measurement capacity. Operating-unit managers annually assess for each strategic objective whether performance exceeded, met, or failed to meet expectations. From these assessments, we make Agency-level determinations of performance. Going by the self-assessment scores of fiscal year 1998 performance from the latest results reports, we find that 83 percent of PHN programs met or exceeded targets.



A sampling of recent results in USAID's programs over the past year best illustrates their range and innovation in supporting the Agency's strategic objectives. Collectively, these accomplishments reflect the underlying program strategies that contribute to progress toward the performance goals cited in the FY99 APP. The performance goals are discussed in section IV.

### **Agency Objective 4.1: Unintended and Mistimed Pregnancies Reduced**

USAID directs its fertility programs toward five outcomes. They are 1) increasing access to and demand for voluntary family planning services; 2) improving the quality, availability, and acceptability of family planning and related reproductive services; 3) creating a positive policy environment for voluntary family planning and related reproductive health services; 4) enhancing the long-term capacity of local institutions to design, finance, implement, and evaluate their own programs; and 5) continuing the development and improvement of contraceptive technology.

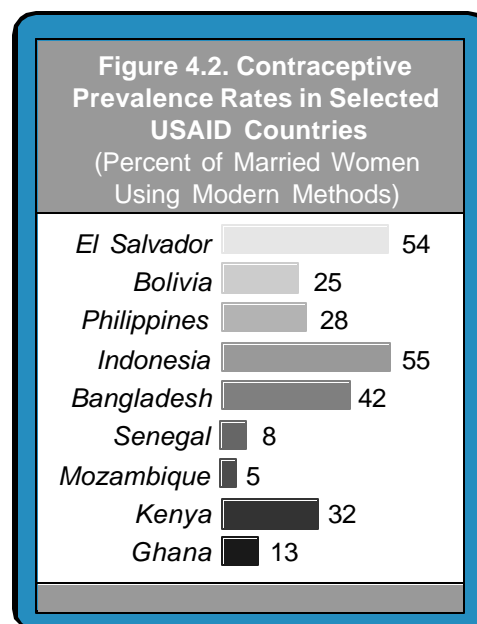
USAID has been involved with family planning in developing countries for more than 30 years. Its programs have significantly helped abate the population problem and improved the health of women and children by helping couples have and successfully time the number of children they desire, resulting in a reduction of the average number of children per family in developing countries. In the E&E region, the same types of programs are geared toward lowering rates of abortion and improv-

ing the reproductive health of women. Notable achievements in fiscal year 1998 were as follows:

### **Gains in Contraceptive Prevalence**

In 1998, about 36 percent of married women used modern contraceptives, according to USAID estimates from Demographic and Health Surveys in 46 USAID-assisted countries. This translates to an increase of an estimated 10.5 million users over 1997. Variations exist among regions, with high levels of contraceptive use in **Latin America and the Caribbean** and **Asia and the Near East** (above 30 percent) and much lower levels in **Africa** (around 14 percent).

During 1997-98, 13 of 14<sup>1</sup> USAID-assisted countries in **Africa** that reported on couple-years-of-protection (CYP, an important measure of contraceptive provision) showed increases. In **Nigeria**, USAID activities generated nearly 5 million CYPs between 1993 and 1998. Growth in condom and



Duofem pill sales was strong, resulting in greater CYP. Overall, sales of intrauterine devices and injectables remained stable in 1998 compared with the previous year.

In **Ethiopia**, the national family fertility survey reported a 49 percent increase in CYP from 1997 to 1998. Service statistics from USAID-supported implementing agencies in **Ghana** show a 23 percent increase in CYP in 1998 compared with 1997. In **Madagascar** in 1998, USAID's family planning program exceeded its targets; service provided increased to nearly 300,000 CYPs (counting all methods)—a four-fold increase in five years.

Regional programs are also showing impressive effectiveness. For instance, in Francophone West Africa, where contraception has lagged behind other nations in the sub-Saharan region, four nonpresence countries that are participating in a regional program—**Burkina Faso, Cameroon, Côte d'Ivoire**, and **Togo**—reported smaller but significant gains in the contraceptive prevalence rate.

The latest Demographic and Health Survey in **Bolivia** indicates that modern contraceptive use rose 41 percent from 17.7 percent in 1994 to 25 percent in 1998. The increase was due largely to USAID assistance, which supplies nearly two thirds of all modern contraceptives and major technical assistance in institutional and other support. As a result, fertility dropped more than 12 percent during this period to 4.2 children per Bolivian woman.

**Haiti**, which has the highest total fertility rate in Latin America and the Caribbean, showed a 50 percent in-

crease in the use of modern contraceptives over a three-year period.

In **Paraguay** the prevalence of modern-method contraceptive use rose from 41 percent in 1996 to 49 percent in 1998.

In **Nicaragua**, increases in contraceptive use from 49 percent in 1993 to 60 percent in 1998 led to a decline in the total fertility rate from 4.6 to 3.9 children per woman during the same period.

In Europe and Eurasia, 13 countries have programs aimed at reducing unintended pregnancies. Evidence from three **Central Asian Republics** shows a significant change in the reproductive practices of women, who now rely more on contraception and less on induced abortion to regulate their fertility. This evidence comes from government statistical sources and from nationally representative Demographic and Health Surveys. Government statistics reported by the ministries of health in **Kazakhstan, Kyrgyzstan**, and **Uzbekistan** indicate that, between 1988 and 1995, use of modern contraceptives (mainly intrauterine devices, condoms, and oral contraceptive pills) increased about 20 percent in each country. Statistics from the ministries also indicate that, during this period, rates of induced abortion declined between 27 percent (in Kazakhstan) and 50 percent (in Kyrgyzstan and Uzbekistan).

In 1999, modern contraceptive prevalence in **Asia and the Near East** increased by one percentage point; that is, 1.4 million more married women were using modern contraceptive methods in the nine ANE population "focus" countries than in 1998.

The new president of **the Philippines**, Joseph Estrada, has reversed his earlier opposition to family planning and now embraces the USAID-led population program, which in turn is increasing its private sector orientation. The total contraceptive rate in the Philippines rose from 46.5 percent in 1998 to 49.3 percent in 1999, a significant 2.8 percentage-point increase.

In **Egypt**, increasing contraceptive prevalence and declining fertility have reduced the annual population growth rate from 2.8 percent 10 years ago to 2.1 percent today. Similarly, in **Jordan**, the total fertility rate dropped from 5.6 children per woman in 1990 to 3.9 in 1998, owing to the increasing quality of family planning services being delivered.

### Advances in Research

While fewer contraceptive methods are now under development or evaluation than we anticipated (28 compared with 37 expected in fiscal year 1998), more have shown promise and advanced to the next stage (9 compared with the 5 we expected).<sup>2</sup> For instance, a hormonal implant appropriate for women who are breastfeeding and a new, improved female condom are moving to the next stage of clinical trials.<sup>3</sup> Femcap and a new spermicide/microbicide that have completed phase III trials will soon be submitted for Food and Drug Administration approval.

An operations research study demonstrated that male community-based delivery agents, community and religious workers, and men's organizations can be effective in increasing the use of family planning methods as well as in preventing sexually transmitted infections. These findings will be incorpo-

rated into Agency programs worldwide.<sup>4</sup>

### Emphasis on Public And Nongovernmental Organization Collaboration

In Latin America, programs are improving the quality, access, and sustainability of both private nonprofit and public health sectors. **Brazil, Honduras, and Paraguay** have successfully fostered more sustainable nongovernmental family planning organizations. They have achieved respectively 56, 60, and 52 percent self-financing, in part by establishing effective cost-recovery mechanisms.

### Increased Country-Level Financing

The prime minister of **Turkey** directed the Ministry of Health to mobilize government funds for public sector procurement of contraceptives, demonstrating the Turkish government's commitment to family planning. Action by the government is largely credited to USAID-supported grass-roots advocacy efforts.

### Integration of Services To Improve Efficiency And Effectiveness

At the core of health reforms in **Kazakhstan and Kyrgyzstan**, low-cost community-based family group practices are meeting a broad set of needs among the people. Intended beneficiaries receive programs that stress preventive care, providing effective alternatives to the government's costly curative care strategies. Concerning

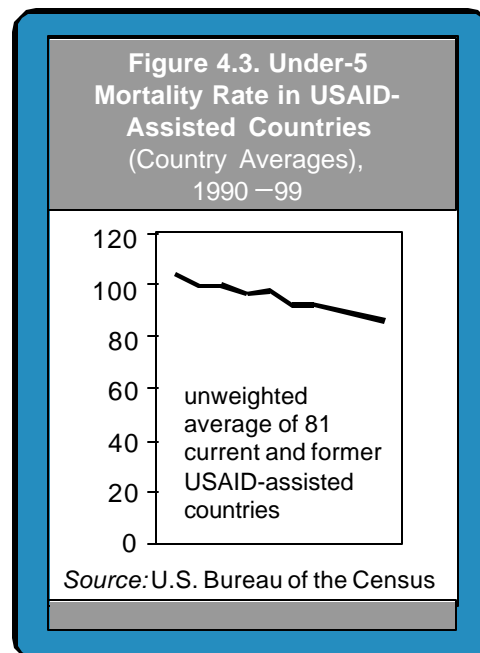
**In Egypt, increasing contraceptive prevalence and declining fertility have reduced the annual population growth rate from 2.8 percent 10 years ago to 2.1 percent today.**

women's health, the family group practices have increased use of modern contraception and reduced abortion rates in pilot sites.

Twelve Women's Wellness Centers throughout **Europe** and **Eurasia** provided a one-stop shopping approach to women's health care, including family planning/reproductive health services, counseling about domestic violence, and testing and treatment for sexually transmitted infections.

### ***Agency Objective 4.2: Infant and Child Health And Nutrition Improved And Infant And Child Mortality Reduced***

USAID emphasizes four outcomes that will improve child health: 1) reducing the five childhood killers and lowering the burden of disease, 2) combating childhood malnutrition, 3) improving pregnancy outcomes and child survival, and 4) improving environmental health.



Since child health activities began, the Agency has helped save the lives of millions of children in USAID-assisted countries. Estimated mortality trends among children under 5 in these countries indicate a continuing decrease in mortality overall. But for some countries, especially in **Africa**, the Demographic and Health Surveys ominously reflect a leveling-off of this decrease or even an increase in under-5 mortality. The Agency is looking closely at the HIV/AIDS factor and other reasons for these plateaus and increases, while its programs address the concerns that follow:

### **Implementation of Multifaceted Interventions**

#### **IMMUNIZATIONS**

Vaccines are among the most cost-effective interventions for preventing disease. Where immunization rates are high, the burden of disease is greatly diminished. Over the past year, an uneven picture of progress in child immunizations in USAID-assisted countries has emerged.

The good news is

- coverage of children younger than 1 in **Peru**, with the third dose of diphtheria, pertussis, and tetanus vaccine, reached 98 percent—surpassing an ambitious regional target.
- In Africa, districts implementing USAID's program in **Madagascar** saw vaccination coverage<sup>5</sup> increased from 57 percent in 1996 to 78 percent in 1998. **Eritrea** and **Zambia** also made progress with immunization; Eritrea met its 1998

target of 60 percent fully vaccinated children aged 12 to 23 months, and Zambia exceeded its target of 70 percent by fully vaccinating 78 percent of the country's children younger than one year.

- Building on support of full trials of the first conjugated Haemophilus influenzae type-B (HiB) vaccines, USAID-supported disease-burden studies and policy dialog have accelerated the incorporation of that vaccine into routine immunization programs in **Latin America and the Caribbean**. In 1998, 29 percent of newborns in LAC received the HiB vaccine. By December 1999, 75 percent of newborns had access to the vaccine as part of routine immunizations. In countries already using the HiB vaccine, meningitis and respiratory infections have decreased significantly.

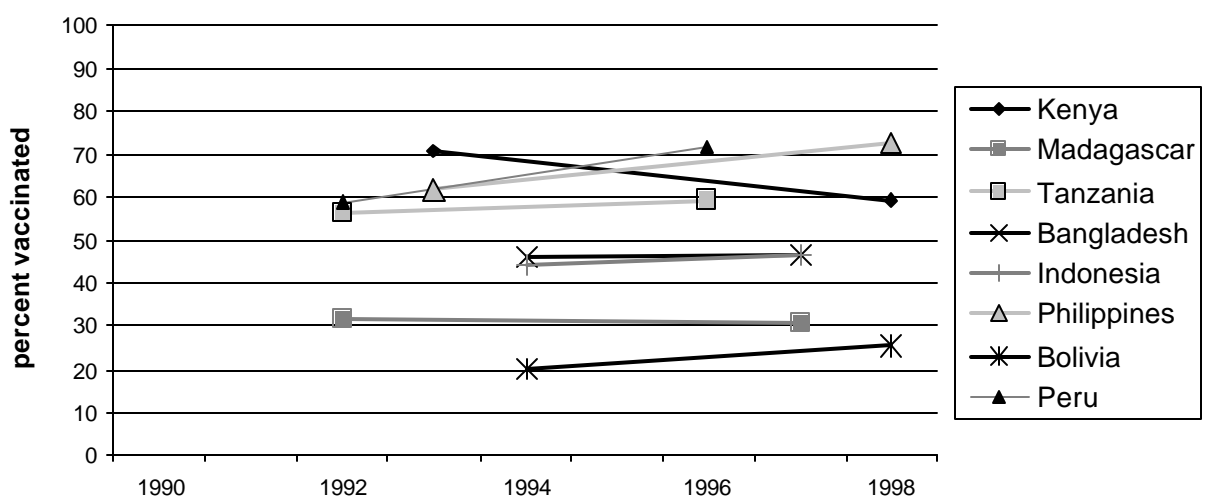
- In 1998, USAID, in close coordination with the World Health Organization, UNICEF, Rotary, Japan, and other parties, worked with countries to carry out national polio immunization days in 73 countries. The effort reached more than 450 million children. Since 1988, reported polio cases have declined from an estimated 350,000 to about 6,500. The **Latin America and the Caribbean** Region has remained free of polio transmission since late 1991.

Yet, as shown in figure 4.4, of eight USAID-assisted countries where two data points appear from national surveys, many immunization programs face stagnant coverage rates.

#### MICRONUTRIENTS

In 1998–99, USAID assisted 17 countries in adding vitamin-A capsule distribution to national immunization

Figure 4.4. Trends in Coverage for Fully Vaccinated Children In Eight USAID-Assisted Countries





**As of 1998, the Integrated Management of Childhood Illness strategy, targeting the five childhood killers that cause 70 percent of child mortality, has been introduced in more than 50 countries.**

days to eradicate polio. Six of these countries achieved more than 50 percent capsule coverage of children. Through USAID's efforts, fortification became a significant source of vitamin A for vulnerable populations in **Central America** and **Zambia**.

Through nutritional assessments and technical assistance for fortification procedures, quality and quantity in the Agency's food aid programs increased in 1998–99. Two major results of these efforts were changes in fortification requirements and vitamin A supplementation to oils.

#### **BREASTFEEDING AND COMPLEMENTARY YOUNG CHILD FEEDING**

Since the early 1990s, rates of exclusive breastfeeding and the median duration of breastfeeding have been rising in areas where USAID has programming support of these behaviors. In the countries with USAID programs where there have been two Demographic and Health Surveys—notably **Bolivia**, the **Dominican Republic**, **Egypt**, **Madagascar**, and **the Philippines**—the number of children less than 6 months old that are breastfed *only* has increased by about 10 percentage points—from just under 30 percent, on average, to about 40 percent. In other countries, declines occurred. Between the early and late 1990s, the median duration of any breastfeeding increased by more than 1.5 months.

#### **INTEGRATED MANAGEMENT OF CHILDHOOD ILLNESS**

The integrated management of childhood illness (IMCI) strategy addresses malaria, malnutrition, vaccinations, diarrhea, measles, and respiratory infections. As of 1998, the IMCI

strategy, targeting the five childhood killers that cause 70 percent of child mortality, has been introduced in more than 50 countries.<sup>6</sup> USAID is working with the World Health Organization, UNICEF, nongovernmental organizations, and other partners to expand implementation, especially at the community level.

### **Progress in Reducing Infant Mortality**

Impressive gains have been seen over the past five years in **Bolivia**, where infant mortality fell from 75 out of 1,000 live births in 1994 to 67 out of 1,000 in 1998.

In **El Salvador**, infant mortality dropped from 41 per 1,000 in 1993 to 35 per 1,000 in 1998.<sup>7</sup>

Through partnerships with U.S. health care providers, E&E is concentrating on neonatal resuscitation in five countries—**Armenia**, **Georgia**, **Russia**, **Ukraine**, and **Uzbekistan**. In the Lviv region of Ukraine, this contributed to a decrease in the regional infant mortality rate from 16.3 per 1,000 live births in 1996 to 13.4 in 1998. Results are not yet available from the other countries.

### **Advances in Research**

Evaluation of a children's vaccine against pneumococcus (responsible for most mortality from pneumonia) demonstrated extremely high levels of protection in young children; additional trials in developing countries are under way.<sup>8</sup>

USAID-supported research demonstrated the benefits of vitamin A for the health of children and women through

supplementation and food fortification. Vitamin-A supplementation has been shown to reduce measles mortality by up to 60 percent and deaths due to diarrhea by 50 percent. Supplementation can also improve the birth weight of infants of HIV-positive women.<sup>9</sup>

Research found more than a 50 percent reduction in severe anemia, without increased morbidity, through low-dose supplementation with iron in a malaria-endemic area. Research documented that up to 50 percent of children in developing countries may be zinc-deficient; supplementation significantly reduced the occurrence and severity of childhood diarrhea (by 25 percent), Acute Respiratory Illness (by 41 percent), malaria (by 40 percent), and mortality in low-birth-weight infants (by 34 percent).<sup>10</sup>

### **Collaborative Public, Private, And NGO Solutions**

USAID, the World Health Organization, and the Centers for Disease Control and Prevention fleshed out a comprehensive global plan for accelerating the development and introduction of new vaccines (such as HiB, pneumo, and rotavirus). On the basis of this initiative, vaccine manufacturers made commitments to provide basic vaccines at significantly reduced prices. Both the World Bank and the Gates Children's Vaccine Program have used the plan to place their investments.

### **Increased Country-Level Financing**

The Agency plans to increase country-level financing for immunization programs by undertaking a comprehensive

review of the financing and costs of immunization programs and by initiating case studies in four countries. These studies will yield lessons and recommendations for other countries and the international health community. A total of 70 countries are now meeting their vaccine funding targets, partly through cooperation between UNICEF and USAID.

### **The Frustration Of Interdependency**

In **Haiti**, targets for use of oral rehydration salts and distribution of vitamin A were not achieved, owing to depletion of the stock of these products (supplied by other donors) and to the preoccupation of the Ministry of Health with other issues.

### ***Agency Objective 4.3: Deaths, Nutrition Insecurity, and Adverse Health Outcomes To Women as a Result Of Pregnancy and Childbirth Reduced***

Child health and family well-being are directly related to and critically dependent on maternal health. In recent years, USAID has strengthened efforts to reduce maternal deaths and disabilities and to protect women during childbirth. Still largely nascent, Agency programs are nonetheless demonstrating some success.

The Agency has identified a set of feasible, low cost interventions and best practices that exert the strongest effect in reducing mortality among mothers and newborns. These interventions

**Globally, progress in the rate of medically trained attendance at birth indicates that the Agency will achieve its maternal health goal for 2007, provided that programming investment continues.**

include improvements in 1) maternal nutrition, 2) birth preparedness, 3) attended deliveries, 4) management of complications, and 5) postpartum care. Family planning, although it is classified under a separate performance goal for the PHN sector, also plays an invaluable role in preventing complications that may arise from mistimed or unplanned pregnancies.

### **Promising Results In Births Attended By Medically Trained Personnel**

Since 1990, in **Asia and the Near East** and **Latin America and the Caribbean**, where there has been Agency PHN programming, there has been a steady gradual increase in births attended by medically trained personnel (from 39.9 percent in 1990 to 45.7 percent in 1998). The increase from 1997 to 1998 was 0.7 percentage points.

There was no appreciable improvement across **Africa** in this area during the 1990s. An exception is **Niger**, where birth attendance by medically trained providers increased from 15 percent in 1990 to 44 percent in 1997. In contrast, the solid gains in **Asia and the Near East** (from 28 percent in 1990 to 38 percent in 1998) and in **Latin America and the Caribbean** (from 70 percent in 1990 to 78 percent in 1998) are noteworthy.

The global progress in the rate of medically trained attendance at birth indicates that the Agency will achieve its maternal health goal for 2007, provided that programming investment continues.

## **Capitalizing on Proven Methods**

The Agency prepared and disseminated information on the causes of maternal mortality and the interventions needed to improve women's survival to non-medical audiences worldwide.

USAID has identified a set of feasible, low-cost interventions and best practices that do the most to reduce mortality and disability among mothers and newborns. These include improving maternal nutrition, birth preparedness, attended deliveries, management of complications, and postpartum care. Although the program is just beginning, early results are encouraging.

Vitamin-A fortification of sugar took place in **Zambia**—a first in Africa. The program includes processing, marketing, distribution, and retailing targeted toward women and children.

In response to economic crisis in **Indonesia**, USAID with numerous development partners worked with the government and private sector millers to launch the first large-scale program to fortify wheat flour with iron.

## **Improvement in Obstetric Care**

From 1997 to 1998, **Guatemala** made major progress in improving survival for women and newborns through both expanded coverage and quality of essential obstetric care (EOC). For instance, in rural departments where use of EOC facilities for delivery is reportedly as low as 5 percent, hospitals in project areas have watched use rates rise between 50 and 77 percent. Furthermore, the met need for essential obstet-

ric care grew from 19 to 35 percent of deliveries in six rural project hospitals. Finally, equity of services has improved. EOC services are now more often used by indigenous women and women with little or no education—demonstrating the potential influence of USAID interventions if they could be increased in scale.

USAID improved essential obstetric care in 15 targeted districts in **Upper Egypt**, renovating facilities and training medical staff in a new protocol.

By the end of a pilot emergency obstetric care project in **Morocco** conducted from 1995 to 1998, 287 health staff had been trained, 30 sites were offering EOC for the first time, and the medical school curriculum had been improved. Facilities now serve 75,000 pregnant women each year. In Morocco in three years (1995–97), USAID-supported programs contributed to reduction in mortality from 332 to 228 deaths per 100,000 births. The late King Hassan II declared maternal health a national priority because of this successful pilot project, which other donors are now replicating in additional districts.

### **Integration of Services To Improve Efficiency And Effectiveness**

In **Bangladesh**, local NGOs are educating more than 350,000 pregnant and lactating women about good nutrition. To encourage more production and consumption of micronutrient-rich fruits and vegetables, the same women are also receiving special gardening training.

After reproductive health training aimed at adolescents, the quality of antenatal

care in three districts in **Zambia** was perceived by that group to have improved; some 85 percent of the adolescents questioned reported a more positive attitude toward service providers.

**Bolivia, Ecuador, and Honduras** have organized teams of health providers and community members as part of pilot regional initiatives identifying ways to overcome obstacles to maternal care and find solutions that improve it.

Preliminary evaluation results from an innovative pilot study in South Kalimantan province, in **Indonesia**, show encouraging gains in remedying iron deficiency anemia before pregnancy. Trained officers from the Ministry of Religion offer counseling on iron deficiency anemia prevention and control at the time of marriage registration. In addition, health center staff administer required tetanus toxoid immunizations to future brides. One month after this intervention began, anemia prevalence was reduced in the study population by about one third.

### **Advances in Research**

Data from several countries, including **Benin, Madagascar, and Zimbabwe**, showed use of national census data as a promising approach for measuring maternal mortality. This newly documented method works especially well in countries that are already measuring adult mortality through a census. The benefits of using census data are that 1) clinicians are not burdened with data collection and 2) data can be analyzed using well-accepted demographic methods, thus reducing potential for error in reporting results.<sup>11</sup> Additionally, because maternal mortality is a statistically rare event, a

**In 2000, an estimated 1.8 million will be orphaned by AIDS—about 5,000 new orphans a day. About 9 of every 10 of these children will be African.**

large sample size is necessary to get reliable data. National censuses provide a sufficient sample size.

A simple one-step diagnostic test for syphilis was developed with USAID support in **India**. The test is now being manufactured commercially as a result of follow-on USAID initiatives.

The value of vitamin-A supplementation in pregnant women has been given greater support with results of a new study from **Indonesia** that demonstrated a 70 percent reduction in maternal puerperal sepsis among women supplemented with low-dose vitamin A from the second trimester of pregnancy.<sup>12</sup>

### ***Agency Objective 4.4: HIV Transmission And the Impact Of the HIV/AIDS Pandemic in Developing Countries Reduced***

To reduce HIV transmission and to mitigate the impact of the HIV/AIDS pandemic, USAID concentrates on five interventions. They are 1) encouraging behavioral change to avoid HIV risks and reduce HIV stigma and discrimination while improving voluntary HIV testing and counseling, increasing acceptance and access to barrier methods, 2) managing and preventing sexually transmitted infections, 3) improving the policy and social environment, 4) increasing the capacity of NGO, community-based, and private sector organizations to prevent HIV transmission and support people living with HIV/AIDS, their caregivers, and survivors, and 5) increasing the quality, availability, and use of evaluation and surveillance information.

The Joint UN Program on HIV/AIDS (UNAIDS) estimates that 47.3 million adults and children have been infected with HIV since the disease was first identified. Of that total, 16.3 million have died. USAID is collaborating with a number of organizations to mobilize an effective response to the grave threat of the rapidly spreading HIV/AIDS pandemic. Those partners include UNAIDS, the World Health Organization, the European Union, the World Bank, the U.S. Bureau of the Census, host-country governments, and private voluntary and nongovernmental organizations (PVO and NGOs). Specific examples of the problems that remain,<sup>13</sup> as well as Agency accomplishments during fiscal year 1998, include the following:

### **Continued Growth In Incidence Of HIV Infections**

A few countries in southern Africa recorded a doubling of seroprevalence rates in five years. In **Botswana, Namibia, South Africa, Zambia,** and **Zimbabwe**, one in four adults is infected. Even countries in West Africa, such as **Nigeria**, where rates have so far been low, now confront unprecedented increases.

### **Increasing Concern About HIV/AIDS Orphans**

In 2000, an estimated 1.8 million will be orphaned by AIDS—about 5,000 new orphans a day. About 9 of every 10 of these children will be **African**.<sup>14</sup> In this way, many communities, ironically, recognize the dramatic increase in the number of orphans as a result of HIV/AIDS more realistically than they



recognize the disease itself. USAID is greatly concerned about the long-term effect of future generations of orphans on hopes for social and economic development. Special funding through the Agency's Displaced Children and Orphans Fund (DCOF) has been made available since 1992 for care of these and other vulnerable children by means of creating or strengthening community-based strategies and programs.

Programs for orphans in **Malawi**, **Uganda**, and **Zambia** have demonstrated how the highest risk children can be identified, cared for, and protected by communities themselves. The Agency identified best practices for the care and protection of orphans and other vulnerable children. These include efforts to ensure basic education, prevent nutritional deficiencies, and provide open access to appropriate medical and health care. They include as well efforts to protect the legal and inheritance rights of widows and children. In addition, USAID has worked to create and enhance economic growth opportunities for communities and families with many orphans.

Additional funds have been allocated in the FY99 and FY00 budgets to increase care and support for children affected by HIV/AIDS.

## Policy Development

In 13 countries the Agency conducted policy development activities about HIV/AIDS prevention, mitigation, and patient support. Noteworthy achievements include the following:

- USAID policy dialog with the government of the **Dominican Republic** contributed to the high priority that nation's secretary of

health has given to the HIV/AIDS National Program. On the basis of a situational analysis conducted with USAID and UNAIDS support, a participatory process has begun to define a decentralized national HIV/AIDS strategy.

- A national AIDS policy in **Honduras**, a new health code in **Guatemala** that improves health care access for people with AIDS, and new blood bank legislation and regulations in several countries are among the policy changes initiated last year. USAID assisted **El Salvador** and UNAIDS in completing a national HIV/AIDS strategic plan; four other national plans are in progress. As a result of USAID's work, the Central American Parliament drafted a memorandum of understanding to work with a USAID grantee on HIV prevention, legislation, and information dissemination at a regional level.

## Field Research

USAID continues to support basic research and program evaluation to improve HIV/AIDS prevention and mitigation. During the past year, the Agency began 66 research activities that are now at various stages of review or implementation. In **Tanzania** and **Uganda**, studies on voluntary HIV testing and counseling are under way. In **India**, a community approach is attempting to reduce HIV transmission in commercial sex.

Other studies examine the integration of HIV/AIDS into antenatal care or family planning services or both. They look at the objectives of increasing men's use of condoms and achieving 100 percent condom use in commercial



**Mother-to-child transmission causes about 600,000 of the 6 million new HIV infections each year. Of every 10 children born to HIV-infected mothers, 2 will be infected during pregnancy or delivery, and 1 will be infected through breastfeeding.**

sex establishments. Some studies assess whether involvement in caring for HIV/AIDS patients affects prevention of the disease. Large-scale studies address issues of prevention and treatment in core transmitters of the disease, such as truck drivers and commercial sex workers.<sup>15</sup>

While the reduction of HIV prevalence remains a long-term goal, gains can be measured in the short term through proxy indicators such as behavioral change and condom sales. Many countries are registering significant increases in condom sales and measuring, through behavioral and household surveys, more condom use in high-risk situations (such as with an occasional partner). To improve the quality and reliability of survey data, in the past year USAID began field-testing revised HIV/AIDS questions in the core questionnaire as well as the male and female modules of the Demographic and Health Survey.

As the HIV pandemic continues, the care and support of HIV-positive persons and their families has grown more important. USAID is supporting many operations, research activities to identify the most effective models to provide care in resource-poor settings. These studies will examine the constraints on care, the treatment of opportunistic infections, and questions of orphan support. They will also explore best means of mitigating the pandemic's harm to future generations by preventing mother-to-child transmission of HIV through antenatal care, testing, treatment, and counseling.

Mother-to-child transmission causes about 600,000 of the 6 million new HIV infections each year. Of every 10

children born to HIV-infected mothers, 2 will be infected during pregnancy or delivery, and 1 will be infected through breastfeeding. Although the antiretroviral drug AZT can greatly reduce the transmission of HIV from mother to child, it remains extremely expensive. In 1999, USAID devoted about \$6 million to improving interventions in mother-to-child transmissions and reducing their costs. The Agency aims to make treatment eventually affordable to women and children in the developing world.

## **NGOs Bolster Outreach**

The International HIV/AIDS Alliance, of which USAID is a founding member and major contributor, established NGO support programs in 12 countries. The Alliance developed new models of NGO mobilization in **India** and shared its lessons and approaches with local organizations in **Mexico**.<sup>16</sup>

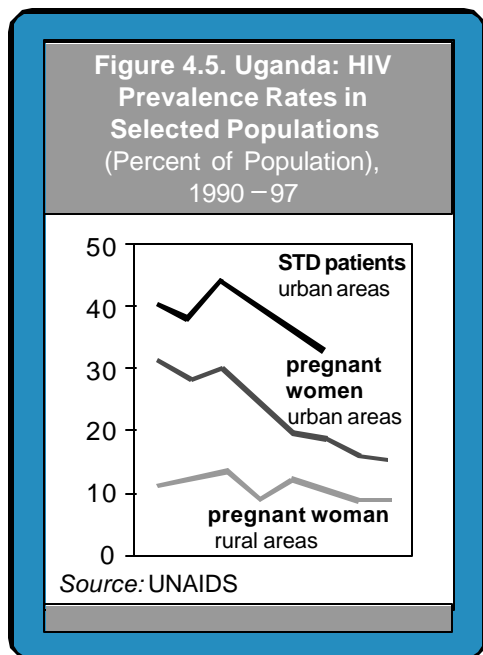
## **Capitalizing On Proven Methods**

The Africa Bureau disseminated a strategy paper titled "Accelerating the Implementation of HIV/AIDS Prevention and Mitigation Programs in Africa." It is based on lessons from USAID's 15 years of field experience in HIV/AIDS program implementation. The paper's purpose is to share information with other donors so that, working together, the scale and boldness of their initiatives can grow to match the expansion of Africa's HIV/AIDS pandemic.

There are also some signs of stemming the rate of spread. USAID's financial and technical assistance has helped reduce prevalence rates in **Uganda** and

to maintain low prevalence rates (less than 2 percent in the general population) in **Senegal**.<sup>17</sup> Other countries receiving assistance, including **Malawi** and **Zambia**, are learning from Uganda's experience.

The Bureau for Latin America and the Caribbean identified priorities for HIV/AIDS programming in this order: 1) countries where there is a generalized epidemic (e.g., **Haiti**), 2) countries with high HIV prevalence (e.g., the **Dominican Republic** and **Guyana**), 3) nations with rapidly rising HIV prevalence (e.g., **Peru**), 4) nations with large numbers of infected people (e.g., **Brazil**), and 5) countries with a high percentage of infected women (e.g., **Honduras** and **Jamaica**). LAC Bureau programs are achieving results. Improvements include stronger NGOs, surer condom supply and use, improved risk perception/behavior, more effective prevention and treatment of sexually transmitted diseases, and new, more progressive policies (as described earlier).



In Asia and the Near East, owing to leadership shown by the government of **Thailand**, programs originally funded by USAID that aggressively target HIV/AIDS prevention have slowed the growth of new cases. USAID is using the lessons learned in Thailand to assist other countries. A regional HIV/AIDS program provided critical HIV prevention and care services in five cross-border areas of **Cambodia, India, Laos, Nepal, and Vietnam**.

In **Zimbabwe**, USAID and the United Kingdom collaborated with the Ministry of Information to develop a national HIV/AIDS media campaign titled “Beyond Awareness.” The two organizations also worked together to maximize resources for contraceptive commodities and social marketing in several countries, including **Bolivia, Kenya, and Uganda**.

### ***Agency Objective 4.5: The Threat of Infectious Diseases Of Major Public Health Importance Reduced***

To reduce the threat of infectious diseases of major public health importance, USAID emphasizes four outcomes. They are 1) reducing the spread of antimicrobial-resistant diseases, 2) improving control of tuberculosis, 3) improving prevention, control, and treatment of malaria, and 4) strengthening local capacity for surveillance and response to infectious diseases.

In 1998, USAID launched an initiative to combat infectious diseases. The magnitude of the infectious disease burden is huge. And the problem is

**In 1999, local institutions in Bangladesh, India, and Nepal—with USAID support—initiated surveillance activities to track antimicrobial resistance in organisms that cause pneumonia, diarrheal disease, and sexually transmitted infections.**

complicated by increasing numbers of antimicrobial-resistant infections. Thus, USAID's relatively modest level of funding of \$50 million a year is carefully targeted to achieve impact in the four aforementioned outcome areas.

USAID collaborates with other organizations in implementing the USAID Infectious Disease Initiative. Partners include U.S. government agencies such as the Centers for Disease Control and Prevention, the National Institutes of Health, and the Department of Defense. They also include such bodies as the World Health Organization, foundations, research institutes, and universities in both the United States and host countries. International disease-specific data are currently available only on global and regional levels. That limits USAID's ability to track progress; however, the World Health Organization is working to generate country-level data. Even though the Infectious Disease Initiative began only in 1998, the Agency reported significant developments in the past year:

### **Antimicrobial Resistance**

With USAID support, the World Health Organization began to develop a Global Strategy and Action Plan for antimicrobial resistance. Identifying priority areas for intervention and research needs will involve many international public health partners as well as representatives from developing countries.

In 1999, local institutions in **Bangladesh, India, and Nepal**—with USAID support—initiated surveillance activities to track antimicrobial resistance in organisms that cause pneumonia, diarrheal disease, and

sexually transmitted infections. As part of this effort, the International Center for Diarrheal Disease Research (Bangladesh) helped strengthen the capacity of laboratories in Nepal to monitor drug resistance. Initial discussions were held with institutions in **Cambodia** and **Thailand** to begin developing a work plan for addressing multidrug-resistant malaria in both countries.

USAID initiated a regional program in **Latin America and the Caribbean** in summer 1999. It works with the Pan-American Health Organization and other institutions to identify and track antimicrobial resistance for common childhood illnesses and to develop treatment protocols less likely to cause resistance.

### **Malaria**

A public-private consortium will increase access to insecticide-treated mosquito nets to prevent malaria in **sub-Saharan Africa**. Public funds are being used to increase awareness and demand, and the private partner provides nets at an agreed-upon affordable price.

A program to develop and evaluate malaria vaccines using DNA technology began in collaboration with the U.S. Naval Medical Research Center and medical institutions in **Ghana**. The five-year plan is to design, produce, and field-test the vaccines.

In **Honduras**, initiatives to increase use of prevention and control services for malaria and dengue proved important in response to last year's deadly hurricanes.

## Tuberculosis

As part of the Stop TB initiative, supported by USAID, a consortium of international organizations drafted a Global Strategy and Action Plan to address the global TB epidemic. This work plan will document current activities for TB control and develop a plan with the aid of both donor and host nations to address areas that need further assistance. The initiative is also planning a global TB charter and ministerial conference to engender political will and action. It is working on a drug facility to ensure access to appropriate medication. And it is refining an agenda to coordinate and support basic and operations research in prevention and treatment.

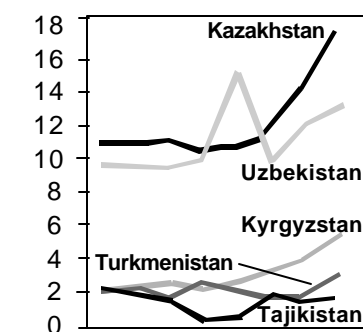
USAID and the government of **Mexico** have collaborated on an extensive evaluation of the current TB program and developed a strategic plan to improve prevention, controls, and treatment delivery. The Agency has launched a comprehensive tuberculosis

program in collaboration with a wide range of Mexican and U.S. government agencies and NGOs, including the Ten Against TB Consortium.

**India**, with technical assistance from the World Health Organization and financial support from USAID, is building a Model Center for TB Control, Training, and Research, under the aegis of the Tamil Nadu state TB program and the TB Research Center at Chennai. The project will implement directly observed therapy, short course (DOTS), in a population of about 450,000; conduct demonstration and training on DOTS; and strengthen TB control activities in surrounding areas. Further tasks include monitoring DOTS's epidemiological success in preventing and reducing TB infections, cases, and drug resistance. They include as well operational research in pivotal areas, such as gender and rural implementation of TB control.

Since 1997, USAID has been a leader in promoting the introduction of DOTS throughout Europe and Eurasia to prevent the spread of TB and multidrug-resistant TB. Starting in April 1998, The Agency provided assistance to initiate the four DOTS project sites in **Kazakhstan**; since then we have supported the government's national expansion to more than 17 sites. The Agency also funded several pilot sites in **Kyrgyzstan** and **Russia**; the program will expand to **Ukraine**, **Uzbekistan**, and **Turkmenistan**, where TB rates are rising, aggravated also by cross-border transmission.

**Figure 4.6. Central Asian Republics Tuberculosis Cases**  
(Notified Cases, in Thousands),  
1990–97



Source: World Health Organization

**With support from USAID, the World Health Organization Regional Office for Africa developed a comprehensive strategy for strengthening African disease surveillance systems through an integrated approach. The goal is for all African member states to have a functional, integrated disease surveillance system by 2003.**

## **Improved Treatment Of Infectious Disease Through Quality Assurance Initiatives**

Every developing-country health system faces a wide range of problems that affect the quality and efficiency of service delivery. To a large degree, providers and managers lack the skills to analyze and resolve these problems. To counter the traditional resignation of some societies toward deficiencies in child survival and other services, USAID has turned to the U.S. health care system for insight on promising approaches.

As part of a worldwide quality assurance initiative, the Agency adapted problem-solving strategies widely used in U.S. medical centers. One of the first sites selected for introducing these approaches was among the least promising places in the world: the impoverished region of Tahoua in rural **Niger**. But the pilot has demonstrated that ordinary Nigerien health workers can become effective problem-solvers. Teams formed in 63 health centers serving 1.6 million residents of Tahoua chose the problems they would try to solve and tested solutions that might work, using only existing resources.

Not all efforts succeeded, but these teams achieved notable results. Among them: 1) correct treatment of malaria increased from 25 to 75 percent of cases, 2) measles immunization coverage increased from 18 to 83 percent, 3) the patient dropout rate for tuberculosis treatment decreased from 40 to 15 percent, and 4) patient waiting time was reduced from 3.5 hours to 45 minutes.

Although the USAID/Niger mission has closed, the Tahoua quality assurance program continues. Its importance as a model is demonstrated by these results: 1) the World Health Organization provided modest funding to sustain the program, 2) other donors are supporting replication of the Tahoua program in three more regions, 3) delegations from several West African countries have visited Tahoua and are planning a similar program, and 4) Nigeriens who led the program have served as quality assurance consultants in other nations, including **Morocco**.

## **Surveillance and Response**

Surveillance programs in **Bolivia** moved forward, with Agency support to the National Health Information System for making better, more reliable health data available at national, departmental, and municipal levels.

A comprehensive assessment of **Tanzania's** disease surveillance systems was conducted in order to build a single Integrated Disease Surveillance System throughout the country. Other governments in **Africa** that wish to conduct similar assessments are using elements of this approach.

With support from USAID, the World Health Organization Regional Office for Africa developed a comprehensive strategy for strengthening African disease surveillance systems through an integrated approach. The goal is for all African member states to have a functional, integrated disease surveillance system by 2003. Such a system will include reinforced data management and better information for decision-making and action, including monitoring and evaluation.

### III. Agency Objectives By Operating Unit and Region

Table 4.2 summarizes the relative emphasis on PHN field-based programs within each region and across regions. For instance, there are more field-based programs to address reductions in unintended and mistimed pregnancies (Agency objective 4.1) than any other objective, followed by programs geared

toward reducing maternal deaths. A high percentage of operating units in **Africa** and **Latin America and the Caribbean** have programs to reduce HIV transmission (Agency objective 4.4). In **Asia and the Near East**, programs to reduce child mortality outnumber all others.

**Table 4.2. Agency Objectives by Operating Unit and Region**

	Africa	ANE	E&E	LAC	Total
<b>Total field-based operating units<sup>a</sup></b>	29	16	25	17	87
<b>Total with population, health, and nutrition programs addressing Agency objectives for reduction of</b>	24	14	15	15	68
Unintended pregnancies	21	9	13	13	56
Child mortality	20	12	3	9	44
Maternal deaths	16	9	13	9	47
HIV transmission	20	6	2	13	41
Infectious diseases <sup>b</sup>	17	6	6	7	36

*Note:* This table shows field-based operating units with strategic objectives in support of the PHN goal and Agency objectives. Operating units may have more than one PHN strategic objective. In addition, some of the operating units' strategic objectives support more than one Agency goal or objective. See annex B for details on distribution of programs in field-based operating units.

<sup>a</sup>Based on regional bureau records for fiscal year 1998.

<sup>b</sup>The Infectious Disease Initiative began in 1998, and missions have not incorporated the infectious-disease language in the wording of their strategic objectives. The number of operating units is based on a count of those with infectious-disease activities.



## IV. Performance by Fiscal Year 1999 Annual Performance Plan

During summer 1999, USAID conducted an Agency-level sector goal review. It concluded that an evaluation of planned and actual targets from the fiscal year 1999 Annual Performance Plan does not produce the snapshot of overall Agency performance envisioned by the Government Performance and Results Act of 1993. The review did reaffirm the Agency's PHN strategic framework, finding that the objectives accurately capture the mission of USAID concerning PHN. Global and regional averages for the FY99 APP performance goals related to these objectives gave perspective on the magnitude of regional differences and the context within which USAID country-level programs operate. But beyond this limited use of information contained in the performance goal tables, programs could not be accurately assessed by this mechanism.

In fact, in the PHN sector the review concluded that the link between Agency activities and the higher level FY99 APP indicators was difficult, if not impossible, to measure. The task group recommended that the Agency set realistic performance targets that could be measured annually for program accountability and could also guide program planning and management. Therefore, since publication of the FY99 APP more than two years ago, PHN indicators have been restructured and realigned.

Using the fiscal year 1999 Annual Performance Plan tables as contextual information for the Agency's program planning, we find that the following picture emerges:

The latest data available on fertility reduction and mortality rates for children under 5 (as reported in the performance tables and bar charts in this section) show that steady, if uneven, progress continues toward the Agency Strategic Plan's 10-year goals. It is too early to know whether the FY99 APP targets will be met, because of the staggered dates of surveys across the regions and the two- to three-year lag in PHN data issued by international organizations. Going by the most recent data, we find that total fertility rates are not declining at the projected pace for the **Africa and Latin America and the Caribbean** regions. Progress in promoting child survival appears to be ahead of targets in all regions except Africa, which falls below expectations. Causes of this lag include the HIV/AIDS pandemic and political instability, both of which can cause sharp decline in health care services.

For the remaining three performance goals, progress relative to the FY99 APP targets cannot be determined. Two indicators—early neonatal mortality (as a proxy for maternal mortality) and proportion of underweight children under 5—are problematic. Spotty data on these indicators prompted the Agency to discontinue their use in the FY00 APP. Births attended by medically trained personnel replaced neonatal mortality as the proxy indicator. We are working to identify more sources for data on underweight children under 5.

With respect to the number of new HIV infections, the FY99 APP did not include projections. HIV incidence data are not widely collected at present; and,

without annual data points, changes in prevalence of a disease of epidemic proportions cannot be reliably estimated in USAID-assisted countries. To more directly relate performance measures to Agency programs, we replaced this indicator with a measure of behavioral change (condom use with casual partner) that leads to reductions in transmission.

The FY01 APP explicitly differentiates between the higher level context indicators and annual performance indicators that are more relevant to Agency activities. It includes the new targets as well as a description of the methodology for selecting them. The countries selected to be included in regional trend averages were changed from all USAID-assisted countries to USAID countries with programs contributing to an operating-unit strategic objective.

Data in the FY99 APR and FY01 APP tables should not be compared with each other. There are some differences

in the list of countries that USAID assisted in fiscal year 1999 and will assist in FY01. There are many reasons for these differences, including (but not limited to) the opening of new programs, the closing of graduating programs, and the reprogramming or suspension of assistance in countries in crisis. Thus, all data in each Agency Performance Report or Annual Performance Plan table apply to the specific list of countries assisted in the fiscal year covered by the table, and baseline figures were recalculated in accordance with the revised country list. The source of the country lists for both documents is the fiscal year 2000 Budget Justification, known as the Congressional Presentation.

To provide a more balanced presentation of the Agency's PHN performance than would be possible from the following performance tables taken alone, a sample of accomplishments in USAID's field programs was discussed in section II.

**USAID-assisted countries with the largest populations are doing extraordinarily well. Take, for example, Brazil, where the total fertility rate is 2.5. Or take Bangladesh, India, and Indonesia, where the rate has fallen below 3.5.**

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## **PERFORMANCE GOAL 1: FERTILITY RATE REDUCED BY 20 PERCENT BY 2007**

### **Performance Analysis**

Table 4.3 provides good trend information about the stabilization of population in USAID-assisted countries. Fertility continues to decline, but rates of decline in **Africa** and **Latin America and the Caribbean** do not appear to be proceeding rapidly enough to achieve the fiscal year 1999 target. Achieving a 20 percent reduction in fertility by 2007 therefore is doubtful.

Changes in individual countries vary considerably. Going by the most recent available information, the USAID-

assisted countries with the largest populations are doing extraordinarily well. Take, for example, **Brazil**, where the total fertility rate is 2.5. Or take **Bangladesh, India, and Indonesia**, where the rate has fallen below 3.5. But in Africa, the latest Demographic and Health Survey for two much smaller countries, **Madagascar** and **Niger**, shows minimal changes over a seven-year period. Further, of the 10 countries reporting DHS results in 1997–98, those nations in Africa are reducing fertility at only half the rate of countries in Asia and the Near East and Latin America and the Caribbean.<sup>18</sup>

There are limitations in the data used to support this performance goal and indicator. For instance, current data on total fertility rates are not available for many countries, so averages are calculated from projected trends in USAID-assisted countries.

### Achievement Beyond Fiscal Year 1999 Plan Levels

Over the past three to five years, the rate of change in some countries has exceeded the plan level (2 percent reduc-

tion per year), such as **Bolivia, Jordan, Kenya, and Senegal.**

### Planned Actions for Unmet Fiscal Year 1999 Targets

Although it is too soon to tell whether the planned total fertility rate will be met, USAID will continue to work with other donors to assess individual and collective program priorities, particularly in Africa and the LAC region.

USAID will annually track contraceptive prevalence rates in each country

## Performance Table From Fiscal Year 1999 Annual Performance Plan

**Table 4.3. Performance Goal 1: Fertility Rate Reduced by 20 Percent by 2007**

*Indicator:* Total fertility rate.

*Sources:* Demographic and Health Surveys.

		APP Baseline(1) 1997	Latest Actual (2) 1999	Plan (3) Fiscal Year 1999
<b>Agency Level</b>	<b>planned</b>			<b>3.8</b>
	<b>actual</b>	<b>4.0</b>	<b>3.9</b>	
sub-Saharan Africa	planned			5.3
	actual	5.6	5.5	
Asia – Near East	planned			3.7
	actual	3.9	3.8	
Europe – Eurasia	planned			**
	actual	2.8	2.7	
Latin America– Caribbean	planned			3.4
	actual	3.6	3.6	

*Notes:* The source was misstated in the fiscal year 1999 Annual Performance Plan as the World Development Indicators. The most recent Demographic and Health Surveys were the sources actually used. Date of latest available data varies by country.

Calculations are based on unweighted country averages.

1. Baseline 1997 was recalculated for all USAID-assisted countries on the basis of the USAID-assisted country list for FY99. This revision was necessary because eight countries included in the original base are no longer USAID-assisted countries.

2. Latest data are based on DHS data and estimated growth rates for surveys through 1998.

3. Plan FY99 was recalculated as a 4 percent reduction from the revised baseline. See the FY99 APP for original numbers.

\*\* E&E plan figures are not included. Total fertility rate reduction is not the purpose of family planning programs in the region. Rather, it is to improve the reproductive health of women and to offer alternatives to abortion.

where programs geared toward this Agency goal operate. More and more, such programs must address the increasing number of adolescents, who, as they become sexually active, face higher risks for not only unintended pregnancies but also for HIV/AIDS and other sexually transmitted diseases. Ensuring a steady supply of contraceptives to consumers is problematic as countries decentralize their commodity management and purchasing decisions.

Finally, more attention will go to issues of financing health services. A study by the Africa Bureau indicates that in the medium and long term, particularly with more contraception, services are not sustainable. USAID programs that address these needs will be monitored centrally as well as by country. Moreover, budget decisions will be more explicitly linked to the magnitude of a country's needs, since they will directly affect total fertility rate in the long run.

### **Revisions to the Fiscal Year 2000 Annual Performance Plan**

The performance goal, indicator, and planned levels of total fertility rate were not changed in the fiscal year 2000 Annual Performance Plan. Other adjustments were made. The source of data was changed from Demographic and Health Surveys alone to the U.S. Census Bureau (the Demographic and

Health Survey was one of several factors included in the Census Bureau estimates). Base and planned levels were calculated using averages weighted (rather than unweighted) by the total number of women of reproductive age (15 to 49) in all USAID-assisted countries; and E&E countries were not included in the total fertility rate projections for fiscal year 2000.

### **Adjustments to Be Included in the Fiscal Year 2001 Annual Performance Plan**

Recognizing that fertility rates change little during any one year, the Agency will now use *total fertility rate in USAID-assisted countries with population activities* as its trend (or "context") indicator. The annual performance indicator in USAID-assisted countries with population activities will be *percent of all women of reproductive age using any form of modern contraception*. The annual performance measure is *one percentage point increase in contraceptive prevalence in USAID countries receiving USAID population funding during the reporting year*. The Agency chose contraceptive prevalence rather than couple-years-of-protection because data are available at national levels through the Demographic and Health Surveys, and because complete national data for couple-years-of-protection are difficult to obtain.<sup>19</sup>

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## **PERFORMANCE GOAL 2: MORTALITY RATES FOR INFANTS AND CHILDREN UNDER 5 REDUCED BY 25 PERCENT BY 2007**

### **Performance Analysis**

Table 4.4 provides contextual information about continuing progress in

reducing child mortality. According to the latest available data, ANE, LAC, and E&E regions have already exceeded the 1999 targets for child survival, but

the Africa region is lagging significantly. There is evidence of leveling off and some reversals of progress in several countries, including parts of **India** and much of **sub-Saharan Africa**. Demographic and Health Surveys reported in 1998–99 show that during the past 5 years, **Cameroon** and **Kenya** have experienced continuous annual increases in child mortality of more than 3 percent. Because these are high HIV/AIDS prevalence countries, part of the reversal could be explained by the effect of HIV/AIDS mortality on children under 5.

Immunization coverage rates have also fallen, especially in **East** and **West Africa**. Malaria is still the leading killer of children in Africa, with acute respiratory infection and diarrheal diseases also contributing significantly to mortality rates. Slowing progress on these health matters may emerge from reduced investment in health interventions in the face of competing priorities and a broadening agenda among international agencies.<sup>20</sup>

## Performance Table From Fiscal Year 1999 Annual Performance Plan

**Table 4.4. Performance Goal 2: Mortality Rates for Infants and Children Under 5 Reduced by 25 Percent by 2007**

*Indicator:* Under-5 mortality rate.

*Sources:* World Bank, *World Development Indicators 1997 and 1999*.

		APP Baseline(1) 1997	Latest Actual (2) 1999	Target (3) Fiscal Year 1999
<b>Agency Level</b>	<b>planned</b>			<b>74</b>
	<b>actual</b>	<b>80</b>	<b>79</b>	
sub-Saharan Africa	planned			145
	actual	156	154	
Asia–Near East	planned			70
	actual	75	66	
Europe – Eurasia	planned			28
	actual	30	25	
Latin America– Caribbean	planned			51
	actual	54	51	

*Note:* Calculations are based on unweighted country averages.

1. Baseline 1997 was recalculated for all USAID-assisted countries on the basis of the revised USAID-assisted country list. This revision was necessary because the country list used in the FY99 APP was not documented. Baseline reflects 1995 data as reported by World Bank *WDI 1997*.

2. Latest actuals are 1997 data as reported in World Bank *WDI 1999*.

3. Target FY99 projections represent 7 percent reduction from 1997 baseline. See FY99 APP for original base and target. Calculations are based on unweighted country averages.

Actual reductions from 1995 to 1997 are USAID, 1.3 percent; Africa, 1.3 percent; ANE, 12.0 percent; LAC, 5.6 percent; and E&E, 16.7 percent.

## Achievement Beyond Fiscal Year 1999 Plan Levels

In **Europe and Eurasia**, targets have been met despite negative effects on already-troubled health systems of the shift to market economies that began in 1990. The decline in immunization rates has slowed. Mass vaccination campaigns over a five-year period have caused the incidence of diphtheria to fall almost as abruptly as it rose. Pilot projects to introduce appropriate treatment of childhood illnesses were implemented in **central Asia** through newly strengthened primary health care programs and now serve as models for other E&E countries. E&E countries will continue vigorous implementation of primary care-based child health interventions in order to sustain current progress in lowering child mortality and improving children's health.

In **Latin America and the Caribbean**, steady progress continues in child survival, but diarrheal diseases and acute respiratory infections remain the major causes of under-5 mortality in USAID-assisted countries in the region. Integrated management of childhood illness is now being implemented in LAC to address these problems. But infant mortality varies enormously from country to country, from 160 per 1,000 live births in **Haiti** to 35 deaths per 1,000 live births in **El Salvador**.<sup>21</sup> An exception is the **Dominican Republic**, where immunization rates declined and childhood mortality leveled off after USAID ended its health program in 1996. The Agency has now restored child survival activities in the Dominican Republic. Mortality rates also vary widely between the majority population and indigenous groups. Targeting our

efforts to address these problems will ensure progress toward meeting or exceeding planned levels.<sup>22</sup>

Despite some leveling off in parts of **India**, the overall **Asia and Near East** infant and child mortality figures show a steady decline. Progress can be attributed partly to excellent vitamin-A supplementation in countries such as **Nepal**, which reduced under-5 mortality by as much as 30 percent. Community-based distribution of oral rehydration salts as well as more effective diagnosis and treatment of pneumonia are likely to reduce mortality further in the region.

### Planned Actions for Unmet Fiscal Year 1999 Targets

Numerous initiatives are under way in **Africa** to address rising levels of under-5 mortality. New studies will identify the cause of flagging immunization rates. In addition, USAID will increase its emphasis and funding of immunization programs. The IMCI initiative will provide an integrated approach to improving the quality of care at health facilities and promoting healthy behavior in the community and family. As discussed in the FY01 APP, the Agency will begin tracking immunization rates as a performance indicator for this goal area. Ongoing programs to prevent HIV (see section II) benefit children by reducing the rising rate of orphans who have lost their parents to AIDS or contracted the disease through perinatal transmission, now estimated at 600,000 per year.

As a killer of children second only to malaria in **sub-Saharan Africa**, acute respiratory infections will be more vigorously addressed through strategies such as IMCI. Finally, the Africa region

**Integrated management of childhood illness is now being implemented in LAC. But infant mortality varies enormously from country to country, from 160 per 1,000 live births in Haiti to 35 deaths per 1,000 live births in El Salvador.**



Data indicate a global increase in medically trained birth attendants from 1997 to 1998.

will continue to emphasize improvements in African capacity to address priority health problems and to build sustainable health systems. Collaboration with other donors, such as Japan, the World Health Organization, and UNICEF, will multiply the good effect of USAID's investment.<sup>23</sup>

### Revisions to the Fiscal Year 2000 Annual Performance Plan

The performance goal, indicator, and targets were not changed in the fiscal year 2000 Annual Performance Plan, but other adjustments were made: the source of data was the Census Bureau, rather than World Development Indicators; and base and projected targets were calculated using weighted averages among USAID-assisted countries.

### Adjustments to Be Included in the Fiscal Year 2001 Annual Performance Plan

Recognizing that the under-5 mortality rate for all USAID-assisted countries is not sensitive to subtle changes, the Agency will use it as a context indicator for this performance goal. In addition, the fiscal year 2001 Annual Performance Plan will use *percent of children under 3 who are moderately or severely underweight (weight for age)* as a second context indicator. *Vaccination coverage rate* will serve as the annual performance indicator.<sup>24</sup> The performance measure will be *the percent of children fully immunized by age 1 increased by 10 percent, on average, in USAID-assisted countries with relevant population, health, and nutrition programs between 1998 and 2007.*

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## PERFORMANCE GOAL 3: MATERNAL MORTALITY RATIO REDUCED BY 10 PERCENT BY 2007

### Performance Analysis

In table 4.5, the *early neonatal mortality rate* was used as a proxy indicator for maternal mortality. Since the publication of the fiscal year 1999 Annual Performance Plan, the Agency has found no reliable correlation between neonatal deaths and maternal mortality. Studies show that another measure, births attended by medically trained personnel, correlates more reliably with maternal mortality. Contrary to the implications of the neonatal mortality data, data on births attended by medically trained personnel indicate that progress, though modest, is being made to reduce maternal mortality. Data from Demographic and Health Surveys and from Centers for Disease Control and

Prevention Reproductive Health Surveys indicate a global increase in medically trained birth attendants from 45 percent in 1997 to 45.7 percent in 1998, despite the stabilization of this indicator in the **Africa** region.<sup>25</sup>

### Achievement Beyond Fiscal Year 1999 Plan Levels

USAID programs are still in the early stage of programming.

### Planned Actions for Unmet Fiscal Year 1999 Targets

Agency programming for this performance goal is concentrated on applying

known, cost-effective interventions to the five major causes of maternal mortality. Nevertheless, new approaches to implement these evidence-based inventions to improve pregnancy outcomes need to be tested in populations where 1) resources are severely limited, 2) geographic distances from curative health services are substantial, and 3) cultural traditions for birth do not include medically trained personnel. Though we expect to meet our proposed global target stated in the fiscal year 2000 Annual Performance Plan, it is probable that successes in the **Asia and Near East** and **Latin America and the Caribbean** regions will make up

for shortcomings in the **Africa** region. Realistically, without additional USAID resources and with no guarantee that countries will remain stable enough with adequate budgets of their own for maternal health, it is unlikely that the current stagnated trend in medically trained birth attendance in Africa will improve in the coming year. To ensure the best use of technical and financial resources at the country level in all regions, we encourage collaboration with the World Health Organization, UNICEF, the World Bank, the United Kingdom's development agency, and other multilateral organizations and donors.

## Performance Table From Fiscal Year 1999 Annual Performance Plan

**Table 4.5. Performance Goal 3: Maternal Mortality Ratio Reduced By 10 Percent by 2007**

*Indicator:* Early neonatal mortality rate.

*Sources:* Demographic and Health Surveys.

		APP Baseline(1) 1997	Latest Actual (2) 1999	Target (3) Fiscal Year 1999
<b>Agency Level</b>	<b>planned</b>			<b>19.3</b>
	<b>actual</b>	<b>19.7</b>	<b>25.0</b>	
sub-Saharan Africa	planned			22.7
	actual	23.2	30.1	
Asia – Near East	planned			18.3
	actual	18.7	22.4	
Europe – Eurasia	planned			n/a
	actual	n/a	n/a	
Latin America– Caribbean	planned			13.7
	actual	14.0	19.2	

*Note:* For Europe and Eurasia: Early neonatal mortality was not used as a proxy for maternal mortality because high rates of maternal mortality are attributed to prevalence of abortion; thus, the correlation is not the same as for other regions.

1. Baseline is based on published baseline from fiscal year 1999 Annual Performance Plan and reflects the latest Demographic and Health Survey data through 1996.
2. Reporting of data on early neonatal mortality is sporadic and inconsistent, as are all data on neonatal mortality. Thus, it is impossible to determine whether the 1 percent regional reduction goals were met on the basis of the small sample used for this report. The latest actuals above are based on DHS survey data from 1990 through the latest available surveys from 1998.
3. Targets are based on FY99 APP and reflect a 1 percent reduction from the base.

## Revisions to the Fiscal Year 2000 Annual Performance Plan

Because of the unreliable correlation of early neonatal mortality to maternal mortality, it was replaced as the proxy indicator in the fiscal year 2000 Annual Performance Plan by *percent of births attended by medically trained personnel*. Studies show a negative correlation (-0.6) between attended births and maternal deaths. The performance goal, reflected in the FY00 APP, was to *increase attended births by 15 percent by 2007* to achieve a reduction in maternal mortality of 10 percent.

## Adjustments to Be Included in the Fiscal Year 2001 Annual Performance Plan

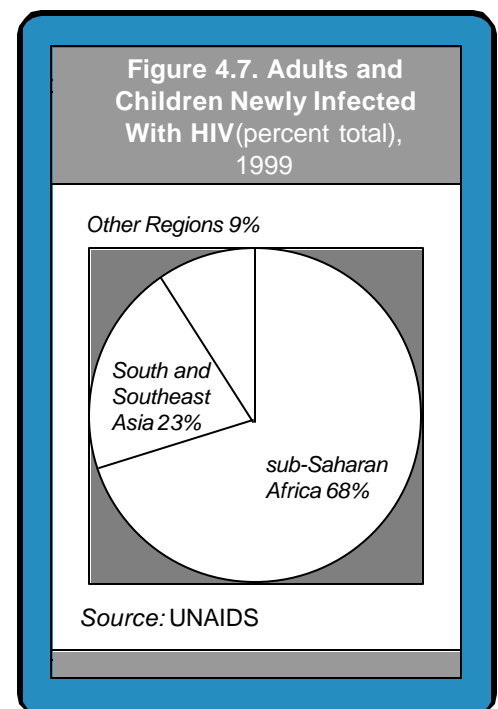
The fiscal year 2001 Annual Performance Plan continues to use *maternal mortality ratio reduced by 10 percent between 1998 and 1997* as the performance goal, but it adds *maternal mortality ratio* as the context indicator. *Percent of births attended by medically trained personnel* is the annual performance indicator. The performance measure was revised to *percent of births attended by medically trained personnel increased by one percentage point, annually, on average, in USAID-assisted countries with a relevant PHN program*. Recent experience indicates that a -1:1 correlation between maternal mortality and attended births is more accurate than the correlation used to set plan levels in the FY00 APP.

## PERFORMANCE GOAL 4: NUMBER OF NEW HIV INFECTIONS SLOWED

### Performance Analysis

Table 4.6 provides good information about the magnitude of the spread (i.e., annual number of new infections) of HIV/AIDS by region, and it shows the greater burden of the pandemic suffered by the **Africa** and **Asia and the Near East** regions. While a reduction in HIV incidence is the ultimate goal of USAID prevention and mitigation, HIV/AIDS incidence is technically difficult and costly to measure in either select or general populations and, therefore, it is not an appropriate indicator at this time.<sup>26</sup>

It is also impossible to determine how fast the pandemic would spread without USAID's interventions. Thus, in the



fiscal year 2000 Annual Performance Plan, USAID adopted a proxy indicator, condom use in casual sexual relations.

### Achievement Beyond Fiscal Year 1999 Plan Levels

There is nothing to report. Reliable data are not available.

### Planned Actions for Unmet Fiscal Year 1999 Targets

USAID has learned that rapid, massive response is needed to contain HIV/AIDS infections. This requires strong political and public commitment, improved surveillance and monitoring of the epidemic, and expansion of interventions: the condom social marketing program, treatment for sexually transmitted diseases, voluntary counsel-

ing and testing, and information, education, and communication. To combat the disease, effective programs must treat HIV/AIDS as a development issue that demands a multisectoral approach, especially emphasizing the adolescent population.<sup>27</sup>

USAID has an ongoing multifaceted program to combat the spread of HIV/AIDS. Examples of accomplishments are described in section II. Of particular note, more attention is being directed toward HIV/AIDS in **India**, which now may contain more new HIV cases than any country in the world, and toward low-prevalence countries, such as **Indonesia** and **the Philippines**, by drawing on the lessons learned in **Thailand**.

## Performance Table From Fiscal Year 1999 Annual Performance Plan

Table 4.6. Performance Goal 4: Number of New HIV Infections Slowed

Indicator: Number of new HIV infections.

Source: UNAIDS.

		APP Baseline(1) 1997	Target (2) Fiscal Year 1999
Agency Level	planned		**
	actual	5,826	
sub-Saharan Africa	planned		**
	actual	4,000	
Asia—Near East	planned		**
	actual	1,670	
Europe—Eurasia	planned		**
	actual	100	
Latin America—Caribbean	planned		**
	actual	227	

Note: Numbers are in thousands.

1. The APP baseline reflects 1994 data, the latest available in 1997, when the fiscal year 1999 Annual Performance Plan was prepared.

2. \*\*Data on new infections from UNAIDS are not at the country level. Reliable data are unavailable.

**As our understanding of performance measurement issues evolved, we recognized that the number of new HIV infections is outside USAID's manageable interest. As a result, the fiscal year 2000 Annual Performance Plan HIV indicator was changed to address behavioral changes that affect the spread of HIV/AIDS.**

## **Revisions to the Fiscal Year 2000 Annual Performance Plan**

The fiscal year 2000 Annual Performance Plan more precisely defined the FY99 APP performance goal, *number of new HIV infections slowed, as reduction in new HIV infections by 10 percent by the year 2007*. The indicator cited in the Agency Strategic Plan, *HIV-prevalence rate in 15- to 49-year-olds*, was reworded in the fiscal year 1999 Annual Performance Plan as *number of new HIV infections*—because “prevalence” is difficult and costly to measure in a population. (Testing is required to determine HIV prevalence.) However, as our understanding of performance measurement issues evolved, we recognized that the number of new HIV infections is outside USAID's manageable interest. As a result, the fiscal year 2000 Annual Performance Plan HIV indicator was changed to address behavioral changes that affect the spread of HIV/AIDS. The proxy indicator of HIV transmission, *percent reported condom use in casual relations disaggregated by gender*, is a better measure of USAID prevention program effects. First, it is the principal objective and an immediate, measurable result of

many USAID prevention programs; second, public health experts agree that reported changes in sexual behavior are related to changes in HIV incidence.<sup>28</sup> Data will be reported for USAID pilot sites only.

## **Adjustments to Be Included in the Fiscal Year 2001 Annual Performance Plan**

The performance goal in the fiscal year 2000 Annual Performance Plan was more precisely defined as *HIV infections reduced by 10 percent among 15- to 24-year-olds between 1998 and 2007*. Because data are not readily available for this goal on an annual basis, they will be used to assess long-term trends. The annual performance indicator, reflecting the Agency's “manageable interest” against which program performance will be assessed, is *percent of reported condom use with nonregular partners*. The annual performance measure is *percent of reported condom use in casual relations increased to 65 percent for males and 80 percent for females between 1998 and 2007*, as reported in USAID-assisted projects with an HIV/AIDS program.

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## **PERFORMANCE GOAL 5: PROPORTION OF UNDERWEIGHT CHILDREN UNDER 5 IN DEVELOPING COUNTRIES REDUCED**

### **Performance Analysis**

Table 4.7 shows a significant drop in the percentage of underweight children in **Asia and the Near East** and **Latin America and the Caribbean**, in contrast to **Africa**, which shows a large increase over the base year level. Country data from 1998–99 Demo-

graphic and Health Surveys in Africa show an increase in malnutrition in three of four countries.

Although it appears that FY99 target levels have already been exceeded in ANE and LAC and that there is cause for optimism about reduction of childhood malnutrition, the Agency is

reluctant to base decisions on this information. Country data in all regions are both dated and spotty, causing the Agency to discontinue use of this indicator in the fiscal year 2000 Annual Performance Plan. Until a new indicator is found, program activities and data analysis related to underweight children will be addressed under performance goal 2, mortality rates for infants and children under 5.

### Achievement Beyond Fiscal Year 1999 Plan Levels

There is nothing to report.

### Planned Actions for Unmet Fiscal Year 1999 Targets

The Agency has several programs to address the needs of underweight children. We combat childhood malnutrition and prevent nutritional deficiencies by promoting breastfeeding, infant-child nutrition, improved intake of micronutrients, and growth monitoring for children.

In large stretches of **South Asia** and **Africa**, 50–60 percent of children under 5 are undernourished. Promising pilot nutrition programs initiated by USAID will need to be further tested,

## Performance Table From Fiscal Year 1999 Annual Performance Plan

**Table 4.7. Performance Goal 5: Proportion of Underweight Children Under 5 Reduced**

*Indicator:* Percent of children under 5 who are underweight (weight for age).

*Sources:* World Bank, *World Development Indicators*, 1997 and 1999.

		APP Baseline(1) 1997	Latest Actual (2) 1999	Target (3) Fiscal Year 1999
Agency Level	planned			<b>25.0</b>
	actual	<b>26.3</b>	<b>23.9</b>	
sub-Saharan Africa	planned			26.7
	actual	28.1	29.9	
Asia – Near East	planned			33.7
	actual	35.5	29.9	
Europe – Eurasia	planned			—
	actual	—	—	
Latin America– Caribbean	planned			15.6
	actual	16.4	12.8	

*Note:* The FY99 APP misstated that the figures in the table are a percentage reduction. Rather, they are the percentage of underweight children.

1. Baseline 1997 was recalculated for all USAID-assisted countries on the basis of the revised USAID-assisted country list. This revision was necessary because the country list used in the FY99 Annual Performance Plan was not documented. Baseline is based on survey data as reported in *WDI*, using unweighted data through 1995.
2. Latest actuals reflect the latest data with updates through 1998 as reported by the World Bank and reflect the revised country list. Date of latest available data varies by country. More countries are included in the figure than were used in the base because of increased availability of data.
3. Target FY99 was calculated by taking a 5 percent reduction from the 1997 baseline. See the FY99 APP for original base and target numbers.



The LAC Bureau will mainly emphasize combating antimicrobial resistance that threatens the effectiveness of currently available treatments against diarrhea, respiratory infections, and tuberculosis. Together, these diseases contribute nearly 70 percent of the excess burden of disease in the region, compared with the damage they cause in established market economies.

replicated, and scaled up to have an impact at the country level. Improving the health and nutrition of pregnant women will also reduce the number of children below five pounds at birth.

### Revisions to the Fiscal Year 2000 Annual Performance Plan

*Underweight children under 5* was discontinued as an indicator in the fiscal year 2000 Annual Performance Plan. It was not shown as a separate performance goal but instead was considered a component of performance goal 2 (infant and child health and nutrition improved and infant and child mortality reduced). Lack of reliable data in many

USAID-assisted countries and inconsistency between data sources where they did exist rendered regional averages meaningless. Efforts are under way to identify an indicator for which there are better data sources.

### Adjustments to Be Included in the Fiscal Year 2001 Annual Performance Plan

*Percent of children under 3 who are moderately or severely underweight* is a long-term context indicator in the FY01 APP under the Agency's child survival performance goal 4.2.

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## PERFORMANCE GOAL 6: REDUCED THREAT OF INFECTIOUS DISEASE

No performance table was included in the fiscal year 1999 Annual Performance Plan because Agencywide programs directed at infectious diseases did not exist in 1997 when the APP was written.

### Performance Analysis

In 1998, USAID launched a new initiative to combat infectious diseases. Program accomplishments thus far are described in section II of this chapter.

The Asia and the Near East region is increasing its support for control of infectious diseases, with strategic objectives being added in **India** and **the Philippines**.

The infectious disease programs in the Latin America and the Caribbean region are just beginning implementation, with funding in **Bolivia, El Salvador, Haiti, Honduras, Mexico, Nicaragua, Peru,** and LAC regional. The relative priority of each of the four program approaches in the Agency's infectious disease strategy is determined by the share of the burden of disease that can be reduced in Latin America and the Caribbean through each approach. Therefore, the LAC Bureau will mainly emphasize combating antimicrobial resistance that threatens the effectiveness of currently available treatments against diarrhea, respiratory infections, and tuberculosis. Together, these diseases contribute nearly 70 percent of the excess burden of disease in the region.

Combating tuberculosis will be the second most important emphasis of the LAC infectious disease strategy, followed by efforts to address Chagas disease and malaria. To support all these other efforts, the LAC Bureau will also strengthen surveillance and response systems.

### **Achievement Beyond Fiscal Year 1999 Plan Levels**

Programs are in a nascent stage. It is too early to determine whether targets will be met.

### **Planned Actions for Unmet Fiscal Year 1999 Targets**

It is too early to determine whether targets will be met.

### **Revision to the Fiscal Year 2000 Annual Performance Plan**

An Agency objective and performance goal for infectious diseases was included in the Agency Strategic Plan. But the indicator *deaths from infectious disease of major health importance* was not selected until the fiscal year 2000 Annual Performance Plan. It was noted that this information is not available on a country-specific basis. USAID, the World Health Organization, and other partners are working together to define an indicator that is feasible to collect and report with some accuracy.

### **Adjustments to Be Included in the Fiscal Year 2001 Annual Performance Plan**

USAID proposed in the fiscal year 2000 Annual Performance Plan to use *deaths from infectious disease of major health importance [excluding HIV/AIDS] reduced by 10 percent between 1998 and 2007* as the performance goal and *deaths from infectious disease of major health importance* as the annual performance measure for this objective. Upon further investigation, the Agency has found that this type of measurement is better used to assess trends than annual progress of country-level programs. Accordingly, this performance goal was designated a long-term goal in the FY01 APP. The context indicator adopted was number of deaths from the top 10 infectious diseases. As the annual performance goal, the Agency will use *increase in the number of USAID-assisted countries adopting directly observed therapy, short courses [DOTS], for tuberculosis treatment, either nationally or subnationally*. In addition, *an increase in the number of developing countries that adopt and implement appropriate malaria drug policies, as defined by the World Health Organization*, will be a second annual performance measure. Indicators for each of these measures will be the numbers of countries that adopt and implement DOTS and malaria drug policies.

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## Notes

<sup>1</sup>Zimbabwe was the only exception.

<sup>2</sup>Global Bureau/Population, Health, and Nutrition R4, p.7.

<sup>3</sup>Global Bureau/Population, Health, and Nutrition R4.

<sup>4</sup>Global Bureau/Population, Health, and Nutrition R4, p.7.

<sup>5</sup>Full vaccination is three DPT vaccinations, three polio vaccinations, a BCG vaccination, and a measles vaccination.

<sup>6</sup>Global Bureau R4, p.26.

<sup>7</sup>Demographic and Health Surveys.

<sup>8</sup>Global Bureau/Population, Health, and Nutrition R4.

<sup>9</sup>Ibid.

<sup>10</sup>Ibid.

<sup>11</sup>Forthcoming public action from the World Health Organization.

<sup>12</sup>Michael Dibley. Unpublished study.

<sup>13</sup>UNAIDS global summary. 1999.

<sup>14</sup>*Children Orphaned by AIDS*. 1999. UNICEF AND UNAIDS.

<sup>15</sup>Global Bureau/Population, Health, and Nutrition R4, p.33.

<sup>16</sup>Global Bureau/Population, Health, and Nutrition R4, p. 34

<sup>17</sup>UNAIDS. 1999. *Acting Early to Prevent AIDS: The Case of Senegal*.

<sup>18</sup>Center for International Health Information.

<sup>19</sup>*Fiscal Year 2001 Annual Performance Plan*.

<sup>20</sup>Africa budget submission, Center for International Health Information, and fiscal year 2001, p.4.

<sup>21</sup>Demographic and Health Surveys.

<sup>22</sup>Ibid.

<sup>23</sup>Africa budget submission fiscal year 2001, p.19, as of 26 July 1999; *Fiscal Year 2001 Annual Performance Plan*, p.17.

<sup>24</sup>*Fiscal Year 2001 Annual Performance Plan*.

<sup>25</sup>MacroInternational, 12 January 2000.

<sup>26</sup>Global Bureau/Population, Health, and Nutrition R4, p.33.

<sup>27</sup>Africa budget submission, fiscal year 2001.

<sup>28</sup>Government Accounting Office report. 1998.

# 5

## Strategic Goal 5:

### Manage the Environment For Long-Term Sustainability

## I. Overview

Rapid population growth, accelerated industrialization, growing urbanization, and unsustainable agriculture make ever-increasing demands on the earth's finite natural resources—especially in the developing world. Take water, for example. In many countries unsound water use has led to preventable environmental catastrophes such as the destruction of the Aral Sea. Once the largest inland lake on the planet, the sea has shrunk in volume by 76 percent because of excessive irrigation. Plant and animal life around the sea has dwindled, and commercial fishing has been destroyed. Whirling clouds of fertilizer salts from the Aral Sea shore breed “killer” dust storms that shorten life spans and dramatically raise infant mortality rates.

Unchecked urbanization is an enormous problem. Almost half the world's 6 billion people now live in cities. This number continues to rise. As it does, it drastically heightens demands for natural resources and energy, for waste treatment and disposal, and for locally responsive means to manage necessary services such as the provision of potable water.

Environmental degradation often strikes at those who can least withstand it. Natural disasters such as hurricanes, floods, and earthquakes often deal harsh blows to the poorest of the poor. Furthermore, local governments that are unable to respond immediately to such disasters with emergency provisions—or to offer mitigation strategies soon after—only aggravate recovery problems for local communities. In short, a bad situation is made even worse.

Many developing countries lack strong national environmental plans, sustainable policies, and regulatory enforcement. In other developing countries, short-term regional and local natural resource decisions are often misguided. Whatever the source, environmental degradation directly and severely limits economic growth. For example, the World Bank recently reported that the impact of doubling emissions of carbon dioxide can reduce the gross domestic product (GDP) of developing countries by as much as 10 percent while dramatically reducing crop yields. In short order, environmental degradation diminishes the quality of life for everyone.

USAID alone cannot solve all these environmental problems. That will take time, persistence, and more resources than any single donor can muster. But the Agency, working closely with host countries and developmental partners, can help stem environmental decline. Our strategy is to attack the root causes of environmental degradation, monitor performance, and revise strategies and tactics accordingly. To accomplish this, USAID environment programs in more than 50 countries work to improve national policies, promote technology development and use, and build capacity to plan, promote, monitor, and enforce community empowerment to protect the environment.

In Africa, for example, USAID historically finds that local management, particularly community-based natural resource management, is one of the most promising approaches. The environment and energy programs for Asia and the Near East typically target

macrolevel policy and regulatory reforms. At the same time, forestry and coastal-resource management programs emphasize community empowerment.

Geography also distinguishes the approach taken. In the Middle East, for example, the Agency primarily emphasizes improving management of increasingly scarce water resources. In South

Asia, our environmental programs typically concentrate on clean and efficient energy systems, climate change mitigation, and urbanization. In East Asia, environmental programs respond to coastal resource degradation, insufficient clean water and sanitation, deforestation and loss of biodiversity, industrial pollution, and the means to mitigate greenhouse gas emissions.

In Latin America and the Caribbean, environmental programs target energy development, industrial pollution, clean water and sanitation, sustainable forestry, biodiversity, and coastal areas management. Europe and Eurasia's programs concentrate on policy issues and strengthening environmental standards, considering the region's legacy of strict central planning. Supporting the adoption of cleaner, more efficient technologies for energy production is an integral part of these policy-related efforts. So too is supporting industrialized urban applications of environmental practices, especially in the private sector.

What we have learned as an Agency is that to protect the environment is genuinely possible only on a limited scale. The key to that progress is to steadily build host-country cooperation at all levels—from national governments to municipalities to local farmers, while simultaneously seeking partners among international donors and, increasingly, the private sector. Cooperation is essential to solving environmental problems in the developing world.

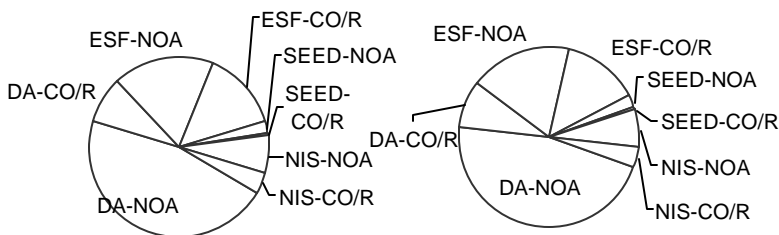
The enormity of the problems often dictates that USAID can be most effective when we can influence policy at the national level. With host-country support, national initiatives aimed at improving the environment can yield big

**Figure 5.1. USAID-Managed Funds by Strategic Goal**  
*Manage the Environment for Long-Term Sustainability*

All Accounts	Fiscal Year 1998		Fiscal Year 1999	
	\$US millions	Percent of total	\$US millions	Percent of total
<b>Development Assistance</b>	<b>290</b>	<b>55</b>	<b>266</b>	<b>45</b>
New Obligation Authority	244	46	248	42
Carryover/recoveries	46	9	18	3
<b>Economic Support Funds</b>	<b>169</b>	<b>32</b>	<b>267</b>	<b>45</b>
New Obligation Authority	96	18	197	33
Carryover/recoveries	74	14	70	12
<b>SEED</b>	<b>15</b>	<b>3</b>	<b>8</b>	<b>1</b>
New Obligation Authority	12	2	3	1
Carryover/recoveries	2	0	4	1
<b>NIS</b>	<b>55</b>	<b>10</b>	<b>56</b>	<b>9</b>
New Obligation Authority	36	7	41	7
Carryover/recoveries	19	4	15	3
<b>IDA</b>	—	—	—	—
<b>PL 480</b>	—	—	—	—
<b>Total</b>	<b>530</b>	—	<b>596</b>	—

**Fiscal Year 1998**

**Fiscal Year 1999**



payoffs. Helping forge national environmental action plans is a good first step. Reforming and removing subsidies on energy that encourage pollution is another. Recognizing ways to limit deforestation nationally and across borders is yet another policy thrust. Beyond national-level efforts, the Agency has also found that community-based natural resource management yields positive outcomes as well. Integrating gender issues into grass-roots natural resource management improves both the effectiveness and the equity of these more local efforts.

Finally, USAID has found that efforts to strengthen municipal governments have significantly enhanced the ability of communities to more closely manage their local environments by delivering needed urban services such as solid-waste collection, potable water, and wastewater treatment. Experience has shown that twin activities aimed at improving both the local economy and the environment have the kind of staying power to create genuine, lasting effects.

### ***Benefits to the American Public***

U.S. citizens and American industry are affected directly by global climate change, the loss of biodiversity, the spread of pollutants, misuse of toxic chemicals, and the decline of ocean fish stocks. These issues cannot be confined to country borders. They are truly global threats potentially affecting the quality of life here in the United States.

Struggles over land tenure and ownership, water rights and use, and availability and equitable distribution of natural resources around the world often promote national and regional instability. This instability is most threatening when local governments cannot respond to the growing demands of an urbanizing community for potable water, adequate shelter, garbage collection, wastewater treatment, transportation, and infrastructure to support economic growth. The U.S. national interest in a politically stable world replete with opportunity for trade and commerce is best served by helping developing cities and communities serve their populations through effective delivery of services and economic opportunities. Their failures to do so often become major threats to U.S. interests. U.S. leadership in the developing world is essential to resolving many such problems while fostering environmentally sustainable economic growth.

American business interests related to the environment are also particularly strong in such areas as tourism (the Caribbean, for example), energy development and management, sustainable forestry linked to international markets, and opportunities for U.S. companies to sell environmental services and technologies such as wastewater treatment and clean industrial production methods. USAID, as a leading agency helping to protect the global environment, works closely with its U.S. partners such as the departments of State, Treasury, Commerce, Energy and Agriculture, as well as the Environmental Protection Agency, to help protect our fragile planet.

**U.S. citizens and American industry are affected directly by global climate change, the loss of biodiversity, the spread of pollutants, misuse of toxic chemicals, and the decline of ocean fish stocks.**



## ***Involvement of Other Donors and U.S. Government Agencies***

USAID works closely with a wide array of multilateral and bilateral donors worldwide to protect the environment. No single donor can make a lasting impact, making close cooperation among donors and in the private sector not only desirable but absolutely necessary to achieve sustainable development. Across the Agency's five environmental objectives, major development partners include the World Bank and every regional development bank, such as the Asian Development Bank. For example, to improve the management of natural forests and tree systems, recent collaborative funding included \$1 million from

the ADB, \$1 million from the International Tropical Timber Organization, and \$200,000 from the government of Japan. The Asian Development Bank also complements USAID programs in energy sector reform, urban pollution, and greenhouse gas mitigation, along with the UN Development Program and the Global Environment Facility.

Agency efforts to preserve biodiversity offer another example of close donor coordination. We work closely with the World Bank, the Global Environmental Facility run jointly by the World Bank and the United Nations, and the International Union for the Conservation of Nature. To encourage sustainable use of coastal and freshwater systems, for example, USAID also works in close partnership with the Swedish Interna-

**Table 5.1. Involvement of Other Donors and U.S. Government Agencies**

<b>Major Donors</b>	Host-Country Commitment	Habitat Protected	CO <sub>2</sub> Emissions Slowed	Access to Drinking Water	Access to Sanitation Services	GDP per Unit of Energy Use	Changes in Forest Cover
<b>International Organizations and Bilateral Donors</b>	Performance Goal 1	Performance Goal 2	Performance Goal 3	Performance Goal 4a	Performance Goal 4b	Performance Goal 5	Performance Goal 6
World Bank	X	X	X	X	X	X	
Regional Development Banks			X	X	X	X	
GEF		X	X				
Germany							X
IUCN		X					
Japan			X	X	X	X	X
UNDP	X		X				
<b>U.S. Government Agencies</b>							
Agriculture		X					X
Commerce	X		X				
Energy			X			X	
EPA		X	X			X	
HUD				X	X		
State	X			X	X	X	
Treasury						X	

tional Development Agency, the UN Development Program, and Irish AID.

When we stress improving the living condition of the urban poor by expanding the delivery of environmental services (basic shelter, clean water and sanitation services), the Agency's principal partner has been the World Bank. These efforts have expanded to strengthen municipal governments' capacity to deliver environmental services. USAID partners likewise have grown in number, now including the Federation of Canadian Municipalities and the International City-County Management Association. USAID has

also worked closely with the Department of Housing and Urban Development in charting a course for the reconstruction of shelter and infrastructure in Central America as a result of Hurricanes Georges and Mitch.

Improving the living conditions of the urban poor also requires cutting urban pollution. Here, the Agency works closely with donors and partners to tackle this growing problem. For example, USAID and the International Council for Local Environmental Initiatives, based in Canada, are sharing costs for the Agency's Cities for Climate Protection initiative.

**Frankly, only a few performance targets were met or exceeded last year at the Agency level. At the same time, USAID has demonstrated that it is good (and getting better) at meeting regional and local environmental targets.**

## II. USAID Strategies And Program Performance

The Agency sets broad performance goals as well as more specific country, regional, and localized targets. The six Agency performance goals are

1. Host-country commitment to sound national and international environmental programs
2. Biodiversity: conservation of biologically significant habitat improved
3. Global climate change: rate of growth in net emissions of greenhouse gases slowed
4. Sustainable urbanization: urban population's access to adequate environmental services increased
5. Environmentally sound energy services: energy conserved through increased efficiency and reliance on renewable sources
6. Natural resource management: loss of forest area slowed

On the whole, USAID has been much less successful in meeting Agency performance goals as indicated below. Frankly, only a few performance targets (National Environmental Management Plans and habitat improved—goals 1 and 2) were met or exceeded last year at the Agency level. At the same time, USAID has demonstrated that it is good (and getting better) at meeting regional and local environmental targets. For example, last year, close to 80 percent of all Agency environmental targets were met by our operating units in the field.

No one really knowledgeable about the condition of the world's environment should be surprised that USAID has not met its higher order Agency performance goals—since they typically reflect longstanding, pernicious national and global environmental issues. Simply put, the Agency performance goals often lie far beyond the reach of any single donor.

Behind issues of manageable interest also loom longstanding measurement problems. For example, difficulties persist in data timeliness and the availability of the kind of data needed to accurately track USAID's environmental impacts. Another serious problem is how to identify indicators at the country level that can "roll up" to show cumulative or aggregate results achieved by the Agency on a worldwide basis; yet such statistics are needed to assess the Agency performance goals with any accuracy.<sup>1</sup> At the same time, the Agency is doing well in achieving the environmental targets set by its field operating units. It is worth noting again that close to 80

percent of operating units met or exceeded their environmental targets for fiscal year 1998.

## Host-Country Commitment

The first performance goal is an expression of overall host-government commitment to national environmental programs addressing biodiversity conservation, climate change, urbanization, natural resource management, and sustainable development. USAID's initial approach in a region often involves national environmental policy reform and strategy development to lay a foundation for later program interventions. Effects of policy reform on the environment, though critical, may only be felt in the longer term.

For example, in **Tanzania**, USAID works to establish a foundation to spread farmers' use of environmentally sustainable natural resource management practices. To measure progress, the Agency is using a composite measure to reflect policy changes and rates of adoption. Similarly, in **India, Indonesia, and the Philippines**, USAID uses a measure of policy change and improved "enabling conditions" to assess results in climate-change mitigation programs.

In many places, such as **Ukraine**, environmental policy reform efforts involve making sure that nongovernmental organizations (NGOs) and citizens have accurate environmental information, are affiliated in networks, and have the capacity to engage local and national authorities concerning environmental policies. In other cases, for example in **Ecuador**, USAID works



at all levels to help improve and enforce key policies and legal frameworks for strengthening biodiversity conservation in targeted protected areas and adjacent areas or buffer zones.

Elsewhere in Latin America, USAID funds the Central American Commission of Environment and Development (CCAD), which has helped Central American governments draft environmental laws and regulations. CCAD has assisted with pollution control regulations in **Costa Rica, El Salvador, Guatemala, and Nicaragua**; wastewater regulations in El Salvador and **Panama**; and a new biodiversity law in Nicaragua. Additionally, as a result of USAID and CCAD training in environmental enforcement and compliance, Central American countries have begun to levy fines for illegal environmental activities. **Belize** is cracking down on maritime companies for destroying important coral reefs, El Salvador and Guatemala are enforcing penalties for illegally cutting forests and mangroves, and **Honduras** is fining officials for improperly granting environmental permits.

In fiscal year 1998, USAID supported implementation of cross-country water sharing and management agreements in Europe and Eurasia to promote greater understanding of the multisectoral aspects of transboundary water and energy management. With host-country support, the Agency's ongoing regional water and energy management program continues to provide important opportunities for dialog between **Central Asian Republics**. This has led to the signing of agreements on energy and water use for the entire Syr Darya basin area. Those agreements were broadened

in FY98 to include **Tajikistan** as a signatory.

With USAID support, **Africa** has made significant progress building the environmental assessment capacity of governmental officials and nongovernmental partners. Training in environmental assessment approaches in Africa has exceeded expectations, in terms of both the number of individuals trained and the adoption of environmental assessment policies and guidelines by their nations.

Local and national capacity development helps host countries formulate better environmental policies. In concert with the Africa Bureau, for example, USAID has sponsored regulation 216 (the Agency's environmental regulation) Title II workshops in more than 10 countries to train private voluntary organizations and cooperating sponsors in how to conduct environmental assessments and reviews. USAID has also helped the government of **India** draft regulations on the handling of solid waste. And it has helped the government of **Indonesia** develop a program to make information on industrial environmental performance available to the public.

USAID's environmental policy support activities are widely distributed around the globe. During fiscal year 1998, for example, more than 40 percent of operating units across all geographic bureaus had strategic objectives directed toward some element of environmental policy formulation. Many of these field-based activities led to renewed support for host-country commitments to protect the environment.

**With USAID support, Africa has made significant progress building the environmental assessment capacity of governmental officials and nongovernmental partners.**

**Local control, particularly community-based natural resource management, is one of the most promising approaches pioneered and applied throughout Africa and elsewhere by USAID.**

### ***Agency Objective 5.1: Biological Diversity Conserved***

USAID supports one of the most comprehensive biodiversity conservation programs of any bilateral donor. Biologically diverse ecosystems can be conserved by strengthening national policies, shoring up institutions, and creating incentives such as debt-for-nature swaps and tropical forests trust funds. Collectively, these activities permit host-country NGOs and government agencies to protect fragile environments. They also give people who directly use the land more authority and good reasons to better manage their own natural resources. That's because the land users' future economic well-being depends on a healthy local economy.

Results take time, though. Experience with USAID programs in **Africa** and **Asia** shows that taking a long-term perspective by staying the course can ensure sustainable returns on development investments. Local control, particularly community-based natural resource management, is one of the most promising approaches pioneered and applied throughout Africa and elsewhere by USAID. Linking self-management and resource stewardship to market-oriented enterprises produces results. Community-based approaches can also have national impact. In **the Philippines**, for example, the host country replicated USAID's forest-management programs nationwide. Now 2.4 million hectares of forest (9,300 square miles, almost half of the Philippines' remaining forests) are under improved community management.

Data show that every year since 1991 the average annual growth in income generated through USAID-funded natural resource management programs in Africa has nearly doubled. Further, for the first time, analysis of satellite imagery demonstrates that regions where improved management practices have been put in place over the past 20 years now show significant gains in vegetative cover. This illustrates the close link between better natural resource management and effective conservation.

Biodiversity conservation is also a major Agency priority in **Latin America and the Caribbean**. For example, six additional park sites covering 5.6 million hectares graduated from LAC's Regional Parks in Peril Program in FY98. These sites no longer require USAID assistance to protect their rich stores of biodiversity. To date, a total of 17 sites covering about 15 million hectares have graduated from the Parks in Peril Program.

In other parts of Latin America (for example, in **Ecuador**) similar progress was made in conservation during FY98. Quito established an endowment (financed by a modest water-consumption fee) to protect the Cayambe-Coca Biosphere Reserve, which encloses the primary watershed upon which the city depends for its drinking water. Similarly, **Paraguay** placed 211,000 hectares (816 square miles) under public protection in 1998 because of USAID support for a national system of land conservation. This park system includes a new 103,000-hectare national park and one 7,000-hectare conservation park in the western region of the country.

Also during 1998, 30 communities within the Mayan Biosphere Reserve in



**Guatemala** agreed, with USAID support, to improve their land management, thereby better conserving 140,000 hectares of key forests and vegetative cover. Over the life of USAID/Guatemala's program in the Petén region, nearly 600,000 hectares of forest that would otherwise have been felled have been conserved through improved park protection, sustainable forestry practices, and voluntary relocation of villagers to more fertile lands outside protected areas.

In Europe and Eurasia, USAID worked to preserve biodiversity in Georgia, Russia, and Ukraine during fiscal year 1998. In **Georgia**, the United States assisted the National Park Service in building a new national park system. In **Russia**, USAID worked to preserve the Siberian tiger, granted technical assistance to protected areas through the World Wildlife Fund in the Russian far east, and facilitated the adoption of land-use management for habitat retention.

### ***Agency Objective 5.2: The Threat of Global Climate Change Reduced***

Under USAID's Climate Change Initiative, the United States committed \$1 billion over five years to reduce net greenhouse gas emissions, increase country participation in the UN-sponsored Framework Convention on Climate Change (FCCC), and decrease country vulnerability to the effects of climate change.

In more than 40 countries, USAID global-climate-change programs work closely with host-country government

institutions and also emphasize partnerships with national and community-level NGOs, with multilateral development banks, and with concerned private business interests.

USAID's global-climate-change activities specifically work to 1) promote energy efficiency and increase renewable energy use; 2) advance cleaner energy technologies in power generation and industrial and urban applications; 3) reduce net emissions through sustainable forest management, agroforestry, reforestation and sustainable agriculture activities; 4) increase FCCC participation through support of national action plans, joint implementation, and technology cooperation; and 5) maintain a portfolio of cross-sectoral vulnerability and adaptation activities, including strengthening capabilities for disaster assistance planning and mitigation. A minimum of 40 percent of global-climate-change funds are reserved for 12 critical climate-change countries and geographic regions.

In **Latin America and the Caribbean** as well as **Asia and the Near East**, the Agency emphasizes clean and efficient energy production and global-climate-change mitigation. It does this through technology transfer, energy and environmental policy and regulatory reform, and improved natural resource management. Such initiatives help in carbon sequestration and in mitigating greenhouse gas emissions.

In **Europe and Eurasia** as well as **Asia and the Near East**, USAID has stressed legal and policy reform and implementation in order to create an enabling environment more friendly to adopting climate-change measures. For example, working closely with environmental colleagues, the E&E environ-



ment and natural resources staff began a series of interventions to promote investment in cleaner production and more efficient energy technologies. During FY98, USAID also helped craft policies to encourage countries to join FCCC.

In Asia and the Near East the Agency was also busy curbing CO<sub>2</sub> emissions. For example, in FY98 two million tons of greenhouse gas emissions were avoided in **India** through USAID assistance. As with other privatization efforts, power sector reform work in **the Philippines**, assisted by USAID and the Asian Development Bank, put that country in the lead in Asia among developing countries working to modernize infrastructure.

Natural disasters also threaten to exacerbate global climate change. Widespread fires in various regions created significant problems last year, which USAID programs worked hard to solve. For example, in 1998 the El Niño Southern Oscillation generated exceptionally dry conditions in Brazil, Indonesia, and other countries, leading to extensive forest fires and haze. In **Indonesia** the economic losses that resulted totaled nearly \$4.5 billion. Destroyed timber and crops, loss of tourism, and haze-induced health effects contributed to the losses.

In northeast **Brazil's** Roraima State, USAID partners quickly responded with relief assistance for Roraima's indigenous peoples and logistical airborne support to digitally map the state's fire damage. A U.S. congressional hearing highlighted areas of high fire risk in the so-called arc of deforestation. Following the hearing, USAID spearheaded a broad-based mobilization to prevent

accidental fires. This culminated in an Agency-led effort to coordinate a U.S. interagency working group to respond to the 1998 Amazon fires. As a result, 120,000 local people were trained in basic fire management during 1998. USAID was the only international donor in Brazil to respond with fire mobilization resources during last year's severe fire season.

### ***Agency Objective 5.3: Sustainable Urbanization Including Pollution Management Promoted***

Providing shelter and related services for the urban poor is an essential component of USAID's environmental strategy. Making cities work better protects the environment by reducing pollution, saving energy, and treating waste properly. We work to improve municipal services and to strengthen municipal governments to manage their local environments more efficiently and more equitably. USAID also works to promote partnerships with the private sector in urban areas to improve environmental management and to provide solutions to environmental problems.

For more than 30 years, USAID has assisted local governments in effectively delivering urban services. Through the Urban Environmental Credit Program (formerly the Housing Guaranty Program), for example, millions of households received improved access to urban environmental infrastructure and shelter. In 1998 alone, more than 500,000 households benefited from these improvements, and over 100 municipalities worldwide were assisted

in better financing and managing environmental services such as water, shelter, and waste treatment.

USAID worked in 21 countries in Asia, Africa, and Europe, as well as in Latin America, to improve diverse urban programming and management services in 1998. The Agency supported, for example, the financing of home-improvement loans, mortgages, potable water hookups, and sanitary sewer connections that curb urban environmental degradation. To improve urban management, USAID worked directly with municipal governments to raise local revenues, implement new financial accounting procedures, and apply tariff and fee reforms. These efforts allow cities to recover the costs of environmental improvements and make further enhancements.

Urban-oriented programs in **South Africa** and Zimbabwe promote home ownership through policy and institutional improvement, business development, and microenterprise. In **Zimbabwe**, for example, USAID's Private Sector Housing Program created 23,700 new jobs in Harare and Bulawayo and improved the business skills of more than 300 small-scale building contractors. The same USAID program helped establish Zimbabwe's first secondary mortgage finance corporation and first privatization of water and sewerage services, both of which will give urban dwellers more inexpensive and efficient access to shelter and services. The project also helped six local governments undertake municipal credit ratings—the first step to providing access to capital for infrastructure investments to improve the lives of poor city dwellers.

In Asia and the Near East, USAID activities in fiscal year 1998 improved the management of freshwater supplies, including the quantity and quality of wastewater treatment. The Agency mounted significant FY98 water resource management and urban support programs in **India** and **Indonesia** and in the **Middle East**, where the degradation and depletion of water resources posed the most critical challenges. For example, USAID helped 24 municipalities in Morocco (representing 2.75 million people, roughly 10 percent of the country's population) to construct new facilities for wastewater, drinking water, solid waste, urban greenspace, roads, and waste recycling. In **Jordan**, USAID developed pioneering water pricing and cost recovery systems during FY98 to ensure more equitable and sustainable delivery of water and sanitation services to the local population. In the **Philippines** and more than a dozen countries in **South and Southeast Asia**, USAID also worked in FY98 to improve access to clean water through the treatment and prevention of industrial pollution in urban areas.

In South Asia, with assistance from USAID, six municipalities used innovative environmental management tools in 1998 to identify problems with urban services and to identify ways of managing and providing essential services more efficiently. In **Nepal**, for example, an action plan for earthquake preparedness and mitigation for the Kathmandu Valley was developed and implemented in FY98, improving the ability of villages and municipalities to better prepare for, and respond to, natural disasters.

USAID's urban programs in **Europe and Eurasia** stress the strengthening

**In Zimbabwe, USAID's Private Sector Housing Program created 23,700 new jobs in Harare and Bulawayo and improved the business skills of more than 300 small-scale building contractors.**

of municipal services. While access to sanitation services appears adequate, substantial problems remain. Insufficient fee collections, the mixing of domestic and industrial wastes, and the poor quality of sewage treatment and solid-waste processing pose serious obstacles to effective service delivery.

The Agency considers improvements in the reliability, quality, and quantity of potable water to be of paramount importance to the hundreds of thousands of people jeopardized by the Aral Sea disaster, in which overirrigation has caused the volume of water to shrink by 76 percent. More specifically, USAID undertook \$15 million in Aral Sea sustainable water management programs in FY98. The programs provided technical support to improve water quality, addressed immediate public needs for water, and developed an effective water management plan. For the first time, the plan describes regional water-sharing and -pricing agreements among the five Central Asian Republics.

While some data indicate that between 90 and 100 percent of the urban population has access to drinking water in Europe and Eurasia, the uncertain availability of safe drinking water free of toxic chemicals and other pollutants is a serious health problem. In many E&E countries drinking water is available for only a few hours a day and often in insufficient quantities.

Urbanization problems are no stranger to Latin America, as cities continue to swell and tourism grows. In **Jamaica**, for example, urbanization programs have stressed the interdependence of tourism and environmental protection. Waste from tourism, Jamaica's most important economic sector, is polluting local water resources and harming coral

reefs—major magnets for tourism. To address this problem, USAID trained more than 20 wastewater plant operators and staff working in sewage-treatment facilities in fiscal year 1998.

In **Guatemala**, USAID's Resource Cities Program helped the country's second largest city design and develop a sanitary landfill that will collect and manage solid waste from the region.<sup>2</sup> In **Ecuador**, using microenterprises, USAID during FY98 established improved solid-waste collection and disposal systems in five municipalities. This represents a substantial increase in service coverage and accessibility for urban residents. In addition, USAID helped Ecuador open a secondary mortgage bank that will provide access for potential homeowners to lower costs and more advantageous terms for financing home ownership.

The Agency is also active in Europe and Eurasia, addressing urban problems. For example, to address water shortages, USAID provided critical assistance to improve the water-distribution network in Lviv, **Ukraine**, in FY98. The project helped the municipality rehabilitate pipeline segments and pumps that leaked water or operated inefficiently. Working with the World Bank, the project will be replicated in other Ukrainian cities.

### ***Agency Objective 5.4: Use of Environmentally Sound Energy Services Increased***

USAID's energy programs foster a favorable environment for U.S. exports and investments by helping developing countries, and those in transition, design

effective new policies, stimulate trade, and build lasting relationships among businesspeople at home and abroad.

Europe and Eurasia continued to make progress in FY98 to develop an energy regulatory framework (particularly in electric power) for several countries. **Armenia, Georgia, Kazakhstan, Kyrgyz Republic, Moldova, Russia, and Ukraine** all established separate energy regulatory organizations in FY98. The organizations had varying degrees of autonomy. USAID helped launch these nascent code-issuing organizations in FY98 as well as similar energy regulatory organizations in central and eastern Europe and the **Baltic**.

USAID also helped provide expert assistance to Baltic state utilities on the economics of electricity grid interconnection and market development issues in regional power development during FY98. In addition, the Agency supported efforts to develop a modern teleinformation system among national dispatch centers in **southeastern Europe** during FY98.

Through a number of missions in **Asia and the Near East**, USAID works to support clean-energy programs, improve power sector efficiency, and promote economic development, while helping reduce greenhouse gas emissions. Given the huge growth expected in Asia's power sector over the next 10 years, we will continue to promote clean energy and power sector reform. It will include privatizing, making markets more competitive, establishing rational energy pricing, and bringing about legal and regulatory reform. USAID continues helping countries make the transition from "dirty," inefficient power systems to more modern clean systems.

Suspension of **India's** environment program in fiscal year 1998 (as a result of India's nuclear tests) and the effect of the Asian financial crisis elsewhere took their toll on ANE's environmental programs. Asian environmental protection agencies generally reduced their enforcement actions, although energy-efficiency and climate-change work continued in **India** and **the Philippines**. For example, industrial firms often took a step backward on both environmental compliance and procurement of new environmental technologies. Fortunately, the economic situation in Asia is slowly improving. USAID expects that new urban and industrial investments next year will provide an important opportunity to increase clean production capacity and help safeguard both environmental quality and human health regionwide.

Elsewhere in the world, USAID has redoubled its efforts to promote pollution prevention and clean production. For example, in FY98 USAID supported noteworthy programs in Brazil and Mexico, major global-climate-change countries. Last year alone, the Bureau for Latin America and the Caribbean committed about \$1.5 million in **Brazil** and \$2.0 million in **Mexico** to a wide array of programs for energy efficiency.

### ***Agency Objective 5.5: Sustainable Management of Natural Resources Increased***

Our natural resource programs are perhaps the oldest in the Agency's arsenal to protect the environment. They include 1) improved management of coastal zones, forests, and water

**Asian environmental protection agencies generally reduced their enforcement actions, although energy-efficiency and climate-change work continued in India and the Philippines.**

**In Nepal, annual sales to ensure high-value agricultural commodities were \$20.6 million in 1998, up from less than \$5 million just three years before.**

resources, 2) increased use of sustainable agricultural practices, 3) enhanced public and community awareness of natural resource sustainability issues and how to address them, and 4) improved policy environment and use of economic and financial incentives.

In Africa, the Agency in FY98 supported community-based natural resource management programs to build basic capacity. For example, in **Zimbabwe**, revenues from wildlife-based enterprises slowly increased. In **Uganda**, more households are adopting improved soil conservation practices, which are beginning to spread beyond the demonstration sites.

During fiscal year 1998, ANE mounted significant natural resource management programs in **Indonesia, Nepal, the Philippines, and Sri Lanka**. In Nepal, for example, the Agency developed a market-led approach to encourage farmers to switch from traditional grains that deplete the soil to more sustainable production of high-value commodities. Annual sales to ensure high-value agricultural commodities were \$20.6 million in 1998, up from less than \$5 million just three years before. Also in Nepal, 4,000 hectares (15 square miles) of land has been turned over to community forest user groups for improved management over the past five years. Community control of forest resources represents a significant shift in the pattern of forest ownership and

management in Nepal. It serves as a model for other countries.

In Europe and Eurasia, USAID supports the development of natural resource management programs in **Albania, Bulgaria, and the Russian far east**. For example, in FY98 the Albanian Private Forestry Development project helped the government transfer previously state-held forests to local communities and assisted in the development of local management plans to increase nontimber incomes and improve natural resource stewardship.

In the Russian far east, USAID supported sustainable forestry practices that offer alternatives to destructive clear-cutting, while helping to promote higher exports of unfinished wood products. In general, acreage under modern management in E&E countries has slowly grown, and sound forestry practices are now taking hold in the region.

In LAC, the Agency concentrates on sustainable forestry management—targeted to critical nations (**Bolivia, Brazil, Honduras**) that still possess the largest tracts of intact forests that lie outside protected areas. In fiscal year 1998 USAID also continued to work in protected areas in the region: six additional sites covering 2.25 million hectares (8,700 square miles) graduated from the LAC Regional Parks in Peril program in FY98.



### III. Agency Objectives By Operating Unit and Region

The overall distribution of USAID’s field-based environment program did not change markedly in fiscal year 1998. Most of our environmental programs continue to promote natural resource management. Global climate change programs are concentrated in countries and regions that contribute most to net global greenhouse gas emissions and whose governments are most receptive to taking positive action. The Agency’s energy programs are most concentrated in **Europe and Eurasia**. The com-

plex nature of the Agency’s urban approach, which includes components of natural resource management (wastewater management) and biological diversity (curbing urban sprawl), for example, may undercount its numbers. Policy leadership in all areas of environmental programming is one of the most important contributions USAID can make, because local or community-level efforts alone cannot sustain change if national policies are weak.

**Table 5.2. Agency Objectives by Operating Unit and Region**

	<b>Africa</b>	<b>ANE</b>	<b>E&amp;E</b>	<b>LAC</b>	<b>Total</b>
<b>Total field-based operating units</b>	29	16	25	17	87
<b>Total with environment objectives</b>	12	11	14	16	53
Global climate change	1	5	7	4	17
Biological diversity	9	4	3	11	27
Sustainable urbanization	2	7	7	8	24
Energy	0	5	10	4	19
Natural resource management	13	10	7	16	46

*Note:* This table shows field-based operating units with strategic objectives in support of the environment goal and Agency objectives. Operating units may have more than one environment strategic objective. In addition, some of the operating units’ strategic objectives support more than one Agency goal or objective. See annex B for details on distribution of programs in field-based operating units.



## IV. Performance by Fiscal Year 1999 Annual Performance Plan

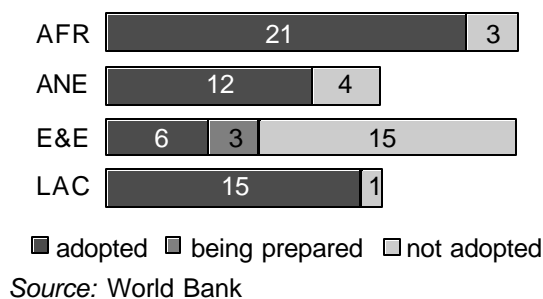
### PERFORMANCE GOAL 1: HOST-COUNTRY COMMITMENT TO SOUND NATIONAL AND INTERNATIONAL ENVIRONMENTAL PROGRAMS

A government's commitment to a cleaner environment and to better management of natural resources is crucial to sustainable development. Yet "commitment" is difficult to measure and even more problematic to interpret. No off-the-shelf measure or proxy indicator is currently available. To fill this gap, USAID developed a 20-point scale to assess a government's overall contribution or commitment to protecting the environment.

The real impact of an environmental policy often reflects the priority a government assigns to environmental degradation compared with other pressing national issues. The challenge facing developing countries is to achieve needed economic growth and quality-of-life improvements without harming the environment.

Balancing these pressures is difficult. One approach is to develop an integrated national environmental action plan (NEAP) in which the government sets priorities among many environmental programs (forestry, coastal zone management, etc.) and then integrates them into one single national plan. The Organization for Economic Cooperation and Development (OECD)—to which the United States belongs—has set forth a vision of development over the next decade. This planning document, *Shaping the 21st Century*, states that "there should be a current national strategy for sustainable development, during implementation, in every country by 2005, to ensure that current trends in the loss of environmental resources . . . are effectively reversed at both global and national levels by 2015." USAID incorporated this OECD goal for environmental sustainability into its own 10-year plan.

Figure 5.2. Number of Countries Adopting Environment Strategy/Action Plans, Environment Profiles, or Biodiversity Assessments Through 1998



### Performance Analysis

Many countries have completed national environmental action plans or similar environmental strategies in the past decade. Figure 5.2 shows the number of countries adopting or completing environmental strategies or action plans, country environmental profiles, and biological diversity profiles. Of USAID-assisted countries, 87 percent have completed them in **sub-**

**Saharan Africa**, 75 percent in **Asia and the Near East**, 93 percent in **Latin America and the Caribbean**,

and 25 percent in **Europe and Eurasia**. Three USAID countries in Europe and Eurasia are preparing their

## Performance Table From Fiscal Year 1999 Annual Performance Plan

**Table 5.3. Performance Goal 1: Host-Country Commitment to Sound National and International Environmental Programs**

*Indicator:* Government Environmental Commitment Index.

*Sources:* World Bank, *World Development Indicators 1999*; the Consortium for International Earth Science Information Network (CIESIN, March 1997). Also consulted were Environmental Treaties and Resource Indicators (ENTRI), selected information/treaty status reports, and Web sites for each of the treaty secretariats.

		APP Baseline(1) 1997	Latest Actual (2) 1999	Target (3) Fiscal Year 1999
<b>Agency Level</b>	<b>planned</b>			<b>12.9</b>
	<b>actual</b>	<b>12.6</b>	<b>14.6</b>	
sub-Saharan Africa	planned			13.3
	actual	13.0	14.5	
Asia –Near East	planned			12.5
	actual	12.3	14.8	
Europe – Eurasia	planned			11.9
	actual	11.7	13.5	
Latin America – Caribbean	planned			13.9
	actual	13.6	16.3	

*Definition:* For the fiscal year 1999 Annual Performance Plan, a 19-point scale was developed to assess a government's commitment to the environment (low =0–7, medium =7.5–14, high = 14.5–19). This scale was revised because of changes in source data availability and is now a 20-point scale (see below). The regional scores are unweighted averages for USAID-assisted countries within each bureau. See annex B for country level data.

Activities under the Environment performance goal 1 range from working with countries developing National Environmental Action Plans (NEAPs) to developing and strengthening environment ministries and working with governments to develop national policies on specific resource issues such as wildlife management. Countries and regions are evaluated on this performance goal with a 20-point index that includes whether a country has prepared any of three types of environmental management strategies or whether it has participated in any of seven major international environmental treaties. The strategies and treaties include an environmental strategy or action plan, a country environmental profile, a biodiversity assessment strategy or action plan, the Framework Convention on Global Climate Change, the Vienna Convention on the Protection of the Ozone Layer, the Montreal Protocol for CFC Control, the Law of the Sea, the Kyoto Protocol, the Biodiversity Treaty, and the Convention on International Trade in Endangered Species of Flora and Fauna (CITES).

1. The baseline is for commitment levels in 1997. This involved examining the treaty ratification situation at the end of 1997. The scores are based on the same 20-point scale as the latest data in 1999.

2. The latest data are based on the status of NEAPs and the ratification/signature status of the above treaties at midyear 1999.

3. The Agency's target for this performance goal is a 1 percent increase per year, or 2 percent from 1997–99.

The scale does not indicate the degree to which an environmental strategy has been carried out or an international treaty was followed. Averaging this scale across regions serves only to give a general idea of political commitment to environmental issues.

The regional average index scores are unweighted.

**With all regions meeting their 1999 targets, the Agency is giving considerable thought to revising its out-year targets.**

first action plans (**Armenia, Kazakhstan, and Uzbekistan**). Still more are updating existing ones.

NEAPs are important, but just a small part of the measurement story. Table 5.3 shows government progress across the 20-point scale. The index ranks governments on that scale with the cutoff points of 0–7 for a low commitment, 7.5–14 for a medium commitment, and 14.5–20 for a high commitment. Across all four USAID bureaus there have been increases in this index during 1997–99. The USAID performance target was a 1 percent annual increase in index scores. In all regions the score has exceeded the expected goal. The increased scores for this index are due to recent ratifications and signatures on several treaties and international agreements supporting environmental protection. One of the newer components to the USAID index score is the Kyoto Protocol on Global Climate Change, which has been signed by 28 countries and ratified by five additional USAID-assisted countries. Other treaties have also witnessed recent expanded accession or ratification.

The following are recent ratifications and signatures by USAID-assisted countries (1998, 1999):

- Law of the Sea: Nepal, Poland, Ukraine
- Convention on Biological Diversity: Angola
- Convention on Climate Change: Madagascar, Rwanda
- Kyoto Protocol (signature): Bolivia, Brazil, Bulgaria, Croatia, Ecuador, Egypt, El Salvador, Guatemala, Honduras, Indonesia, Israel,

Kazakhstan, Latvia, Lithuania, Mali, Mexico, Nicaragua, Niger, Peru, the Philippines, Poland, Romania, Russia, Slovakia, Turkmenistan, Ukraine, Uzbekistan, Vietnam, Zambia

- Kyoto Protocol (ratification): El Salvador, Georgia, Jamaica, Panama, Paraguay
- Vienna Convention for the Protection of the Ozone Layer: Kazakhstan
- Montreal Protocol on CFC controls: Kazakhstan, Tajikistan
- Convention on International Trade in Endangered Species: Azerbaijan

### **Achievement Beyond Fiscal Year 1999 Plan Levels**

With all regions meeting their 1999 targets, the Agency is giving considerable thought to revising its out-year targets. At the same time, there is some concern that progress as measured by this index may be misleading as to the real extent of environmental protection on the ground. After all, the road is long from treaty signature to national policy development to full-scale implementation. Heeding this concern, one option may be to drop this performance measure entirely. Further, this index does not relate directly to the five discrete environmental objectives (biodiversity, global climate change, urban–industrial, etc.).

Another option under review is to keep the index but raise the target to a 2 percent annual increase. Both options are being examined by the Agencywide Environmental Indicator Team.

**Planned Action to Achieve Unmet Fiscal Year 1999 Plan Levels**

None. All targets were met.

**Revisions to the Fiscal Year 2000 Annual Performance Plan**

No changes were made.

**Adjustments to Be Included in the Fiscal Year 2001 Annual Performance Plan**

No changes were made.

**PERFORMANCE GOAL 2: BIODIVERSITY: CONSERVATION OF BIOLOGICALLY SIGNIFICANT HABITAT IMPROVED**

**Performance Table From Fiscal Year 1999 Annual Performance Plan**

**Table 5.4. Performance Goal 2: Biodiversity: Conservation Of Biologically Significant Habitat Improved**

*Indicator:* Nationally protected areas (in 1,000s of square kilometers).

*Sources:* World Bank, *World Development Indicators 1999*; World Resources Institute, based on data from the World Conservation Monitoring Center.

		APP Baseline(1) 1994	Latest Actual (2) 1997	Target (3) Fiscal Year 1999
<b>Agency Level</b>	planned		<b>3,109</b>	<b>3,171</b>
	actual	<b>3,017</b>	<b>3,203</b>	
sub-Saharan Africa	planned		896	914
	actual	870	993	
Asia –Near East	planned		494	504
	actual	479	572	
Europe – Eurasia	planned		864	881
	actual	838	751	
Latin America – Caribbean	planned		855	872
	actual	830	887	

*Definition:* Protected areas include five World Conservation Union (ICUN) categories (national parks, managed natural reserves, etc.).

1. Going by the latest data, a revised baseline was calculated on 1994 data.
2. The latest actual data reported are from 1997. The planned data for 1997 are based on a 1 percent annual increase in protected areas, or 3 percent increase during 1994–97.
3. Assuming the goal of an annual 1 percent increase in protected areas, a 5 percent increase was planned by 1999.

A comparison can then be made between the latest actuals for 1997 and the calculated plan for 1997. The revised plan figures for 1999 reflect the 5 percent increase performance goal documented in the fiscal year 1999 Annual Performance Plan. These data were also used to make projections for the FY00 APP actuals.

Simply having an area designated as 'protected' does little to ensure its survival nor enhance biological diversity.

## Performance Analysis

USAID's target is a 1 percent per year increase in the area of nationally protected land. USAID met this goal in Africa, Asia and the Near East, and Latin America and the Caribbean. The Europe and Eurasia region fell short of the 1 percent annual target (see table 5.4).

In Africa, significant increases in protected lands between 1994 and 1997 occurred in **Angola** (55,400 square kilometers—21,400 square miles), **Mozambique** (47,800 square kilometers), and **Niger** (12,800 square kilometers). Of the 24 USAID-assisted countries in the region, 13 had increases in protected lands in the two-year period. These countries contained 64 percent of all protected lands in Africa. **Tanzania**, with more than 130,000 square kilometers of protected land, had lost over one thousand square kilometers from 1994 to 1997. **Ethiopia** and **South Africa** both saw decreases in protected land during the two years, 8 and 6 percent, respectively.

In Asia and the Near East, protected lands in USAID-assisted countries increased more than 2 percent. **Mongolia** added over 100,000 square kilometers (39,000 square miles). ANE increases in protected areas occurred even while **Indonesia** lost 10,000 square kilometers and **Vietnam** over 3,000 square kilometers.

Only four LAC countries had significant decreases in protected lands. Most notable was **Mexico**, losing 53,000 square kilometers. This was offset by large increases in **Bolivia** and **Brazil**.

The decrease in protected lands in the E&E region was based on a very large

decrease in **Russia**. Over a quarter of protected lands in Russia disappeared between 1994 and 1997. Positive trends were seen in the Central Asian Republics, all of which had significant increases in protected land areas, especially **Kazakhstan** (an addition of 64,000 square kilometers).

## Achievement Beyond Fiscal Year 1999 Plan Levels

AFR, ANE, and LAC Bureaus have met or exceeded their 1999 targets but are directing their efforts more in the coming years on improving and upgrading management practices and procedures rather than on simply increasing protected areas.

## Revisions to the Fiscal Year 2000 Annual Performance Plan

The Bureau for Europe and Eurasia is carefully evaluating its regional target and has renewed its efforts in the **Russian far east** to stem the loss of habitat.

## Adjustments to Be Included in the Fiscal Year 2001 Annual Performance Plan

The Agencywide Environmental Indicators Team has been exploring alternatives to this indicator to more closely track USAID activities. Rather than center on area increases (square kilometers, numbers of new parks, etc.) USAID works to improve habitat management. Simply having an area designated as "protected" does little to ensure its survival nor enhance biological diversity. Habitats that are "protected" can be rich in biological diver-

sity or, in stark contrast, such habitats can be devoid of the critical animals and unique plants that made it biologically diverse in the first place. Further, having lands “protected” on paper does not necessarily mean that protection has occurred in the field or is currently in force. Moreover, in some cases the Agency has directed its attention to

areas of less than a thousand hectares (four square miles), which falls below the landmass usually defined as a “protected area.” As a result of these concerns and to enhance sustainability, the Agencywide Environmental Indicator Team is considering a new measure that concentrates on improved management (not just on more areas).

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**PERFORMANCE GOAL 3: GLOBAL CLIMATE CHANGE:  
RATE OF GROWTH OF NET EMISSIONS  
OF GREENHOUSE GASES SLOWED**

**Performance Table From Fiscal Year 1999 Annual Performance Plan**

**Table 5.5. Performance Goal 3: Global Climate Change: Rate of Growth Of Net Emissions of Greenhouse Gases Slowed**

*Indicator:* Carbon dioxide emissions, average annual rate of change.

*Source:* World Bank, *World Development Indicators 1999*, based on DOE/CDIAC database.

		<b>APP Baseline(1)</b> 1988–95	<b>Latest Actual (2)</b> 1995–96	<b>Target (3)</b> 1998–99
<b>Agency Level</b>	<b>planned</b>		<b>-1.25</b>	<b>-1.29</b>
	<b>actual</b>	<b>-1.24</b>	<b>0.98</b>	
sub-Saharan Africa	planned		-1.36	-1.40
	actual	-1.35	0.65	
Asia–Near East	planned		5.87	5.70
	actual	5.93	6.03	
Europe – Eurasia	planned		-9.65	-9.94
	actual	-9.55	-1.38	
Latin America – Caribbean	planned		5.05	4.90
	actual	5.10	0.53	

*Definition:* Annual growth rates of carbon dioxide emissions in metric tons.

*Note:* The indicator goal is a 1 percent decrease in the growth rate of carbon emissions, not a 1 percent decline in the amount of carbon emissions.

1. The fiscal year 1999 Annual Performance Plan baseline rate is the unweighted average of USAID-assisted countries' average annual growth rate for the 1988–95 period. This baseline was recalculated from the published baseline in the FY99 APP, which used weighted averages and a varied list of USAID-assisted countries.
2. Latest data for this indicator are the single-year growth rate for 1995–96. Comparisons should be made between this actual rate and a proposed 1 percent planned decrease from the revised base rates; however, caution should be applied because yearly CO2 emissions growth rates can fluctuate (El Salvador's emission decreased by over 20 percent in 1996, partly because of the shutdown in businesses from the aftermath of Hurricane Mitch). A 1 percent planned target is given for 1995–96 to compare with this actual.
3. A nominal 1 percent per year decrease in the emissions growth rate over four years of the total area is given for the revised 1999 goal.



As global energy use rises, greenhouse gas emissions typically increase. Fossil fuels supply roughly 90 percent of the world's commercial energy and account for more than 80 percent of carbon dioxide (CO<sub>2</sub>) released into the atmosphere.

Developing countries' commercial energy consumption will contribute about 40 percent of the world's carbon dioxide output by 2010. Much of this will come from **China** and **South Asia**, which depend heavily on coal, particularly when it is used for generating electricity. Seventy five percent of the electricity in China and more than 60 percent in South Asia comes from coal. Since electricity demand is rising 6 percent to 7 percent a year, this could double the CO<sub>2</sub> emissions there between 1990 and 2010. Unfortunately, cheap fossil fuels are economically advantageous—but just for the short term. Countries need to take action to increase energy efficiency; replace fossil fuels with cleaner, more climate-benign fuels; and further develop and adopt renewable energy technologies.

### Performance Analysis

The Agency targeted a nominal 1 percent per year decrease. Table 5.5

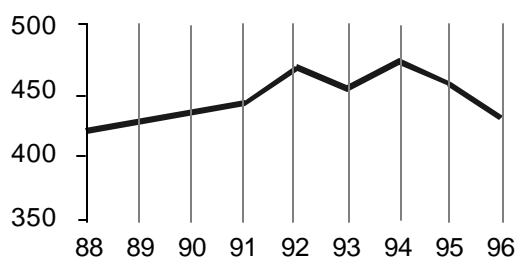
shows CO<sub>2</sub> emissions average annual growth rates for USAID-assisted countries. The baseline in the fiscal year 1999 Annual Performance Plan was the average annual rate of change in CO<sub>2</sub> emissions between 1988 and 1995. Latest available year of data is 1996 and is compared with a 1 percent decrease in the rate of change for all USAID-assisted countries and bureaus.

The 1999 target is a four-year, 1 percent decline in the rate. These regional averages are unweighted, to show progress by “operational units.” CO<sub>2</sub> emission levels are increasing slightly in USAID-assisted countries. The 1.2 percent average decrease of the previous years did not continue in 1996 but instead *increased* by one half of a percent.

This was the trend in Africa, where 14 of 21 reporting USAID countries showed increases or static levels of emissions. The unweighted decrease of these countries' emissions growth was just under 1 percent, due in part to a 22 percent decrease in emissions from **Angola**. More striking, the rate of change of the combined levels of CO<sub>2</sub> emissions of USAID-assisted African countries resulted in a 5 percent decrease in 1996 (see figure 5.3). This was influenced primarily by decreases in **South Africa's** and **Nigeria's** emissions levels, together constituting 87 percent of emissions of the assisted countries.

In Asia and the Near East, **India** is the source of 63 percent of all CO<sub>2</sub> emissions among USAID-assisted countries. Because India's emission levels increased from a 5.9 percent average to over 10

Figure 5.3. CO<sub>2</sub> Emissions, USAID-Assisted in Africa (total emissions of 22 countries in millions of metric tons)



percent in 1996, the regional weighted average continues to grow (see figure 5.4). ANE countries also showed an increase based in unweighted terms. Twelve out of 14 countries reporting data in ANE had increases in 1996. Only **Morocco** had a decrease, and **Cambodia**'s levels remained static.

CO<sub>2</sub> levels in **Europe and Eurasia** declined rapidly during the baseline period. Only five USAID countries out of 24 had increased emissions from 1988 through 1995. While levels on average continue to drop, 13 countries had emissions growth in 1996. Though the goal of CO<sub>2</sub> emissions calls for a 1 percent annual decrease in the rate of change, the drops in emissions in the E&E region are more a symptom of economic stagnation than of advances in environmental policies and technology.

Latin America's emission growth rate decreased significantly in 1996, far exceeding the 1 percent decrease target. This was due primarily to a 22 percent decrease in 1996 in **El Salvador**, where the effects of recent Hurricane Mitch may have dampened industrial production. **Guatemala, Honduras, and Panama** also had declines for the year. Again, while decreases in CO<sub>2</sub> levels are beneficial environmentally, the causes of declines need to be better understood.

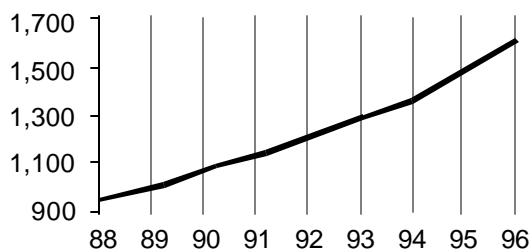
### Achievement Beyond Fiscal Year 1999 Plan Levels

For the most part, there is considerable frustration with this indicator as a measure of USAID's programs and no strong rationale for changing targets.

The question is this: to what extent are CO<sub>2</sub> emissions within the Agency's manageable interest? Historical trends since 1980 show a sharply accelerating growth in global CO<sub>2</sub>. Many factors outside USAID's manageable interest—factors such as tax policies, world fuel prices, structural changes—all play a role in CO<sub>2</sub> emissions. Sharp and sometimes prolonged declines in energy demand for manufacturing often stem directly from civil strife and unpredicted economic downturns. Such downturns occurred last year in **Asia** and in some states of the **former Soviet Union**. They led to dramatic reductions in CO<sub>2</sub> emissions. Distinguishing among these causes of decreased CO<sub>2</sub> emissions is not easy.

Another issue is that reliable emissions data are often available only on a national level (or adjusted per capita). This contrasts with USAID's efforts, which are much more localized and typically occur in only a very limited way, in a few key locations. What's more, CO<sub>2</sub> data are not current. They have at least a five-year lag. This means that emissions projections are by default often used for both target-setting and actual data, leaving the so-called results open to question.

Figure 5.4. CO<sub>2</sub> Emissions, USAID-Assisted in ANE (total emissions of 14 countries in millions of metric tons)



In 1996 the UN Center for Human Settlements estimated that 280 million urban dwellers lacked potable water and 588 million lacked basic sanitation.

The Agencywide Environmental Indicator Team is reviewing measures and considering alternatives to CO<sub>2</sub> emissions. USAID has placed a high premium on working with countries at the national level, especially those contributing most to the pollution problem. One candidate measure under review is a measure to capture host-country participation in various aspects of the Framework Convention on Climate Change.

### **Planned Actions for Unmet Fiscal Year 1999 Targets**

See above.

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## **PERFORMANCE GOAL 4: SUSTAINABLE URBANIZATION: URBAN POPULATION'S ACCESS TO ADEQUATE ENVIRONMENTAL SERVICES INCREASED**

Two of the main global indicators the Agency uses to measure progress toward sustainable urbanization are access to safe drinking water and access to sanitation services. In 1996 the UN Center for Human Settlements estimated that 280 million urban dwellers lacked potable water and 588 million lacked basic sanitation. Additionally, less than 70 percent of solid waste was being collected in urban areas and only 50 percent of households were being served.

### **Performance Analysis**

Although reliable data are available during the 1990s, trend data are not available for most USAID-assisted countries. While information on access to safe water is widely used as an

### **Revisions to Fiscal Year 2000 Annual Performance Plan**

No changes were made.

### **Adjustments to Be Included in the Fiscal Year 2001 Annual Performance Plan**

No changes were made.

indicator, it is extremely subjective despite efforts to establish common terms and reference points. Terms such as "adequate amount" and "safe" have different meanings in different countries." Specifically, "safe" water in developing countries rarely meets standards of water quality and access in Europe and North America. National and regional averages also mask differences in access to services between rich and poor, male and female, and urban and rural populations.

By 1997, among USAID-assisted countries, 72 percent of the urban population in **sub-Saharan Africa** had access to safe water, as did 81 percent in **Asia and the Near East** and **Northern Africa** and 86 percent in **Latin America and the Carib-**

**bean**—reaching or exceeding 1997 targets (see table 5.6a). Few countries in **eastern Europe** and the **former Soviet Union** report on access to safe water. The regional average, based on 12 countries, was 83 percent—below

target. LAC countries are just slightly below their 1997 targets and may fall short of expected 1999 targets—but reaching the last 15 percent of households always requires an inordinate effort.

## Performance Table From Fiscal Year 1999 Annual Performance Plan

**Table 5.6a. Performance Goal 4: Sustainable Urbanization: Urban Population’s Access to Adequate Environmental Services Increased**

*Indicator:* Percent of urban population with access to safe drinking water.

*Source:* World Health Organization data reported in World Bank, *World Development Indicators 1999*.

		APP Baseline(1) 1993	Latest Actual (2) 1997	Target (3) Fiscal Year 1999
<b>Agency Level</b>	<b>planned</b>		<b>80.5</b>	<b>82.2</b>
	<b>actual</b>	<b>77.4</b>	<b>80.1</b>	
sub-Saharan Africa	planned		71.5	72.9
	actual	68.7	72.3	
Asia – Near East	planned		81.3	82.9
	actual	78.1	82.1	
Europe – Eurasia	planned		87.0	88.7
	actual	83.6	83.3	
Latin America– Caribbean	planned		86.6	88.3
	actual	83.2	85.6	

*Definition:* World Health Organization (WHO) standards for access to safe drinking are used. Reasonable access to safe drinking water in an urban area is defined by WHO as access to piped water or a public standpipe within 200 meters of a dwelling or housing unit. The WHO data are collected from national government agencies. Definitions of urban populations and services may vary and might not be strictly comparable.

1. The baseline from the 1999 APP was based on the latest data during the 1988–93 period. The baseline was revised also using the revised list of USAID-assisted countries.
2. The latest available data in 1999 include additional updates through 1997. As the APP goal was an annual 1 percent increase in access, the 1997 plan reflects a 4 percent increase. Comparisons can then be made between these planned percentages and the actual latest data for 1996.
3. The projected target for 1999 (data available in 2001) is based on six years at 1 percent increase from the baseline. All regional averages are unweighted.

## Performance Analysis

As for access to sanitation (table 5.6b) for USAID-assisted countries, 68 percent of the urban population has access to sanitation services in **sub-Saharan Africa**, 78 percent has access in **Asia and the Near East** and **Northern Africa**, 82 percent in **Europe and Eurasia**, and 78 percent in **Latin America and the Caribbean**. With the exception of Asia and the Near East, progress against targets has been less than expected.

## Achievement Beyond Fiscal Year 1999 Plan Levels

There are no plans to elevate targets for access to safe water (**Africa** and **Asia-Near East**) and sanitation services (**Asia-Near East**) where goals are either met or nearly met and trends appear to be positive for 1999.

### Performance Table From Fiscal Year 1999 Annual Performance Plan

**Table 5.6b. Performance Goal 4: Sustainable Urbanization: Urban Population's Access to Adequate Environmental Services Increased**

*Indicator:* Percent of urban population with access to sanitation services.

*Source:* World Health Organization data reported in World Bank, *World Development Indicators 1999*.

		APP Baseline(1) 1993	Latest Actual (2) 1997	Target (3) Fiscal Year 1999
<b>Agency Level</b>	<b>planned</b>		<b>77.0</b>	<b>78.6</b>
	<b>actual</b>	<b>74.0</b>	<b>76.1</b>	
sub-Saharan Africa	planned		68.7	70.1
	actual	66.0	67.9	
Asia – Near East	planned		73.9	75.4
	actual	71.0	78.2	
Europe – Eurasia	planned		85.4	87.2
	actual	82.1	82.1	
Latin America– Caribbean	planned		79.2	80.8
	actual	76.1	78.6	

*Definition:* World Health Organization standards for access to sanitation are used. Urban areas with access to sanitation services are defined as urban populations served by connections to public sewers or household systems such as pit privies, pour-flush latrines, septic tanks, communal toilets, or other such facilities. The World Health Organization data were collected from national government agencies. Definitions of urban populations and services may vary and might not be strictly comparable.

1. The baseline from the fiscal year 1999 Annual Performance Plan was based on the latest data during the 1988–93 period. The baseline was revised also using the revised list of USAID-assisted countries.
2. The latest available data in 1999 include updates through 1997. As the APP goal was an annual 1 percent increase in access, the 1997 plan reflects a 4 percent increase. Comparisons can then be made between these planned percentages and the actual latest data for 1997.
3. The projected target for 1999 (data available in 2001) is based on six years at 1 percent increase from the baseline. All regional averages are unweighted.

## Planned Actions to Achieve Unmet Fiscal Year 1999 Plan Levels

From a measurement-indicator perspective, access to water and sanitation services has been used for some time by the development community to assess household access to basic services. Typically these data have been on a national level with less accuracy when distinguishing between rural and urban areas, since different data-collection methods, definitions of access, and the like have been used. Even definitions of city and urban boundaries have made it difficult to assemble an integrated data set for “urban households.” That’s because some of the largest cities are spread across different administrative jurisdictions.

The current urban indicators do not well trace USAID programs—since a very limited number of assistance programs directly address increased access to water or sanitation with the exceptions of efforts in Asia and the Near East. Over time, USAID has gradually shifted its program emphasis to a much wider array of municipal services—often engaging the private sector. These include urban financing,

improved municipal management practices, policy formulation (land planning, cleaner production, and the like) and strengthening the governance capacity of cities. In short, the current indicators are too narrowly targeted. They fail to capture the full range or diversity of USAID’s urban programs.

This problem had led the Agencywide Environmental Indicator Team to consider using an urban index to reflect USAID performance along a much broader spectrum—not just water and sanitation services. Careful review of existing indicator components is under way, and discussion has begun about how to build and validate this new urban index.

### Revisions to the Fiscal Year 2000 Annual Performance Plan

No changes were made.

### Adjustments to Be Included in the Fiscal Year 2001 Annual Performance Plan

No changes were made.

The current indicators are too narrowly targeted. They fail to capture the full range or diversity of USAID’s urban programs.

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## PERFORMANCE GOAL 5: ENVIRONMENTALLY SOUND ENERGY SERVICES: ENERGY CONSERVED THROUGH INCREASED EFFICIENCY AND RELIANCE ON RENEWABLE SOURCES

### Performance Analysis

Table 5.7 shows USAID-assisted countries’ regional averages of GDP per unit of energy use. The averages are unweighted. Of the regional bureaus, only **Africa** and **Europe and Eurasia** exceeded the target of an annual 1

percent increase. In fact, both regions met the 1999 target in 1996. Six countries in Africa (13 reporting) show minimal increases. Eight of 22 increased in E&E, with Georgia’s rate moving from \$ 1.0 to \$2.1. Both **Asia and the Near East** and **Latin America and the Caribbean** did not track at the 1



percent increase; however, the GDP per energy unit remained above \$2.

### Achievements Beyond Fiscal Year 1999 Plan Levels

There are no plans to adjust targets at this time.

### Planned Actions to Achieve Unmet Fiscal Year 1999 Plan Levels

Use of the energy intensity performance indicator has been problematic for USAID. For one thing, data are unreliable in some regions, especially in **Central Asia** and **eastern Europe**. For another, energy intensity is not a commonly used performance indicator. Third, and perhaps most difficult, is that energy intensity only distally captures the Agency's programmatic thrust—which mainly centers on national energy

## Performance Table From Fiscal Year 1999 Annual Performance Plan

**Table 5.7. Performance Goal 5: Environmentally Sound Energy Services: Energy Conserved Through Increased Efficiency and Reliance on Renewable Sources**

*Indicator:* GDP per unit of energy use.

*Sources:* World Bank, *World Development Indicators 1999*; USAID calculations.

		APP Baseline(1) 1994	Latest Actual (2) 1996	Target (3) Fiscal Year 1999
<b>Agency Level</b>	<b>planned</b>		<b>1.54</b>	<b>1.59</b>
	<b>actual</b>	<b>1.51</b>	<b>1.53</b>	
sub-Saharan Africa	planned		0.75	0.78
	actual	0.74	0.78	
Asia—Near East	planned		2.05	2.11
	actual	2.01	2.03	
Europe—Eurasia	planned		1.09	1.12
	actual	1.07	1.13	
Latin America—Caribbean	planned		2.50	2.57
	actual	2.45	2.39	

*Definition:* The energy efficiency indicator is gross domestic product per unit of energy used, defined as the U.S. dollar estimate of the real GDP (at 1995 prices) per kilogram of oil equivalent of commercial energy use. The larger the ratio, the greater the energy efficiency.

1. The baseline from the fiscal year 1999 Annual Performance Plan was based on 1994 data. The baseline was revised using 1994 data based on a revised list of USAID-assisted countries. Differences with the FY99 APP also result from the World Bank's change in the constant \$US base year from 1987 to 1995.

2. The latest available data in 1999 are for 1996. As the APP goal was an annual 1 percent increase in efficiency, the 1996 actuals can be compared with a planned 1996 target based on a 2 percent increase from the 1994 baseline.

3. The 1999 target is based on the 1994 baseline and a 5 percent annual increase.

All regional averages are unweighted.

policies and regulations affecting the industrial and power-generating sectors. USAID also is working hard with key companies to adopt environmental quality standards and to encourage more private sector investment in environmentally sound energy production. These efforts surely relate to the energy-efficiency goal, but they are the necessary precursors to energy-efficiency gains over the long haul. A fourth problem is that the current indicator reflects countrywide energy efficiency changes, whereas in most cases the Agency has targeted specific industries and localities. The Agencywide Environmental Indicator Team is reviewing indicators that better capture USAID's program and is

considering measures of increased private sector involvement in energy-related activities as an alternative.

### **Revisions to the Fiscal Year 2000 Annual Performance Plan**

No changes were made.

### **Adjustments to Be Included in the Fiscal Year 2001 Annual Performance Plan**

No changes were made.

From 1980 through 1995, the developing world lost nearly 200 million hectares (770,000 square miles) of forest.

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## **PERFORMANCE GOAL 6: NATURAL RESOURCE MANAGEMENT: LOSS OF FOREST AREA SLOWED**

The annual change in total forest area is one indicator the Agency considers in its approach to sustainable natural resource management. From 1980 through 1995, the developing world lost nearly 200 million hectares (770,000 square miles) of forest. The greatest threats are from mining, road building, accidental fires, unchecked logging, slash-and-burn agriculture, and land conversion to cattle ranching and cash crops.

### **Performance Analysis**

We are unable to assess current Agency performance using this indicator against targets because of lack of data. For USAID-assisted countries, the annual change in total forest area for 1990–95 was as follows: **sub-Saharan Africa**, 0.76 percent (–26,000 square kilometers—10,000 square miles); **Asia and the Near East**, –0.83 percent (–21,300 square kilometers—8,200 square miles);

**Europe and Eurasia**, +0.06 percent (5,500 square kilometers—2,100 square miles), and **Latin America and the Caribbean**, –0.6 percent (–51,000 square kilometers—20,000 square miles).

Data on deforestation between 1995 and 1997 were expected from the UN Food and Agricultural Organization (FAO) but are not yet available. Thus, table 5.8 shows only the deforestation totals between 1990 and 1995 as the baseline and a 1999 target of a four-year, 1 percent annual reduction in the amount of deforestation.

In Africa, the **Democratic Republic of the Congo** (formerly Zaire) was added as a USAID-assisted country and includes over a million square kilometers of forest area. That country saw the largest loss of forest area from 1990 through 1995, almost 40,000 square

kilometers (15,500 square miles). Of the 24 USAID countries in the region, all but six lost over a thousand square kilometers of forest area.

**Indonesia** lost the most forest area in ANE, 54,000 square kilometers (21,000 square miles), more than half of the region's USAID-countries' losses. In contrast, in Europe and Eurasia all but two countries had either no loss or actual gains in forested area.

**Kazakhstan** and **Uzbekistan** forest

area increased significantly. This resulted in an increase in forest area for Europe and Eurasia as a whole. Performance analysis on trends in this indicator will follow anticipated data updates.

### Achievement Beyond Fiscal Year 1999 Plan Levels

Not applicable.

## Performance Table From Fiscal Year 1999 Annual Performance Plan

**Table 5.8. Performance Goal 6: Natural Resource Management: Loss of Forest Area Slowed**

*Indicator:* Average annual change in total forest area (in thousands of square kilometers).

*Sources:* The Food and Agriculture Organization of the United Nations (FAO); *State of the World's Forests, 1997*; *World Development Indicators*; USAID calculations.

		APP Baseline(1) 1990–95	Latest Actual (2) n/a	Target (3) Fiscal Year 1999
<b>Agency Level</b>	<b>planned</b>			<b>-358</b>
	<b>actual</b>	<b>-467</b>	<b>n/a</b>	
sub-Saharan Africa	planned			-102
	actual	-133	n/a	
Asia – Near East	planned			-82
	actual	-106	n/a	
Europe – Eurasia	planned			23
	actual	28	n/a	
Latin America – Caribbean	planned			-196
	actual	-255	n/a	

*Definition:* Total forest area includes both natural forest and plantation area. The change in natural forest includes the permanent conversion of natural forest to other uses, including shifting cultivation, permanent agriculture, ranching, settlements, or infrastructure. The areas expressed above are in thousands of square kilometers (in the fiscal year 1999 Annual Performance Plan the numbers were in thousands of hectares).

1. Data on total forest area change are based on 1990 and 1995 figures. The baseline is the amount of forest area gained or lost during the five-year period (losses are negative).
2. USAID was expecting FAO to report updated forest data for 1997 during 1999; however, these data are still unavailable from this source but will be included once they are made available.
3. A nominal 1 percent per year decrease in the area lost over four years is given for the revised 1999 target. In the case of the Europe and Eurasia region, where forest area actually increased, a further 4 percent increase is targeted for 1999.

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## **Planned Actions to Achieve Unmet Fiscal Year 1999 Plan Levels**

The Agency, like most other information users, awaits FAO release of new data. At the same time, the Agencywide Environmental Indicators Team is pressing ahead to develop and review a proxy indicator that may better capture USAID's highly diverse on-the-ground work in natural resource development assistance. The team is considering a measure of the number of resource user groups (as with water, forests, coastal, and households) adopting and using improved techniques or effectively managing local natural resources.

## **Revisions to the Fiscal Year 2000 Annual Performance Plan**

No changes were made.

## **Adjustments to Be Included in the Fiscal Year 2001 Annual Performance Plan**

No changes were made.

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## **Notes**

<sup>1</sup>See section B, USAID's fiscal year 1999 Annual Performance Plan.

<sup>2</sup>Similar technical assistance in strengthening financial systems, urban environmental management, and strategic planning is being provided through this program to more than 30 cities worldwide.



# 6

## Strategic Goal 6:

### Promote Humanitarian Assistance

## I. Overview

The end of a century of so much war and turmoil offers great potential for advancing the human condition. As the world approaches a new millennium, the movement toward economically and politically free societies is advancing steadily. But for many, economic and political freedom is contingent on simple survival. Hundreds of millions of people—including many of those least able to cope with crisis—suffer from *natural disasters*, *man-made disasters*, and *complex emergencies*.

In 1998, those three types of humanitarian crises affected an estimated 418 million people worldwide. Natural and man-made disasters affected 315 million people in 1998, while complex emergencies touched the lives of 103 million more.<sup>1</sup> The number of affected people requiring USAID's emergency assistance rose from 41 million people in 1997 to 141 million in 1998. In 1998, the Agency responded to 87 declared disasters—65 of them natural disasters, compared with 27 the previous year. Several of the major emergencies were associated with weather anomalies related to the El Niño phenomenon and a more recent related discovery, the Southern Oscillation. The economic impact of those 1997–98 events is estimated at \$33.2 billion worldwide. These disasters affected virtually every development sector and touched nearly every aspect of USAID's portfolio.<sup>2</sup>

USAID was also called on to help in complex emergencies, situations of civil strife, and postconflict repercussions. Although there were more natural disasters than complex emergencies in 1998, most funding was devoted to complex emergencies (disasters compli-

cated by civil strife), primarily in Africa. The Greater Horn of Africa Initiative documented conflict as a major cause of increased food insecurity in that region and the cycles of steadily increasing need for food aid. In Latin America, significant strides in shifting from dictatorship to democratic governance were made through postconflict programs. Thirty-four countries in Latin America and the Caribbean now have democratically elected heads of government.<sup>3</sup> In Europe and Eurasia, ongoing complex emergencies in Bosnia accounted for a significant share of humanitarian assistance.<sup>4</sup> USAID's complex emergency programs emphasizing community rehabilitation and economic stabilization provided essential food aid, health, water, and sanitation. In Asia and the Near East, USAID has played a critical role in supporting peaceful transitions.

Natural disasters, such as Hurricanes Mitch and Georges and the El Niño phenomenon, have affected the economic growth rates of many countries. Hurricane Mitch alone—the so-called hurricane of the century—affected 2.3 million people. It caused more than \$5 billion in damage and drove down the annual GDP growth rates of Honduras and Nicaragua by several percentage points.

Since the fiscal year 1999 Annual Performance Plan was drafted, prevention has become a crosscutting theme of the Agency. It has been dropped from the humanitarian assistance goal area. The four APP performance goals are unchanged, but the relevant indicators have been revised to facilitate analysis.



The Office of Transition Initiatives (OTI) identified four priority countries in fiscal year 1998: Bosnia–Herzegovina, Honduras, Indonesia, and Nigeria. In Bosnia, its support to media has played a significant role in moderating hard-line sentiments, helping create a calmer political environment. In Honduras, OTI concentrates on maximum participation of beneficiaries, local organiza-

tions, and other donors. In Indonesia, the office’s programs aim to strengthen media, improve civil–military relations, and build capacity within civil society (particularly for change agents). In Nigeria, the OTI program addresses building capacity for good governance, conflict resolution, economic reform, and civil–military relations.

### ***Benefits to the American Public***

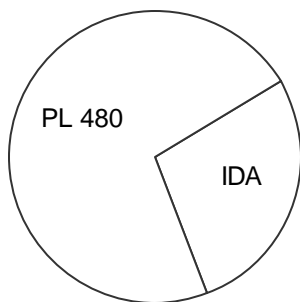
USAID’s work in humanitarian assistance reflects fundamental values and ideals concerning saving lives, reducing suffering, protecting health, and advancing peaceful change. The United States has a long and generous tradition of providing assistance to the victims of disasters, especially women and children. Humanitarian assistance seeks primarily to save lives and reduce suffering. Although it is not a substitute for long-term development programs, it can safeguard investments in economic and social development. Small U.S. investments in crisis prevention and mitigation reduce the need for more substantial investments in crisis resolution where U.S. interests are directly at risk. There is a growing understanding among policymakers of the role humanitarian assistance plays in furthering U.S. interests in peaceful transition and development. Policymakers also appreciate the direct economic benefit to the American public as exemplified by the Title II Public Law 480–food aid program, which provides for the use of surplus U.S. food commodities. This program has spurred the development of markets for U.S. agricultural products worldwide.

USAID coordinates its humanitarian assistance programs with the Depart-

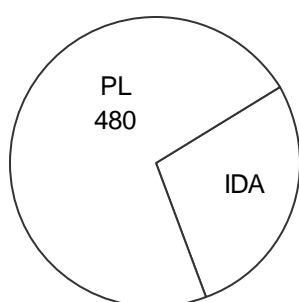
**Figure 6.1. USAID-Managed Funds by Strategic Goal**  
*Promote Humanitarian Assistance*

All Accounts	Fiscal Year 1998		Fiscal Year 1999	
	\$US millions	Percent of total	\$US millions	Percent of total
<b>Development Assistance</b>	—	—	—	—
New Obligation Authority	—	—	—	—
Carryover/recoveries	—	—	—	—
<b>Economic Support Funds</b>	—	—	—	—
New Obligation Authority	—	—	—	—
Carryover/recoveries	—	—	—	—
<b>SEED</b>	—	—	—	—
New Obligation Authority	—	—	—	—
Carryover/recoveries	—	—	—	—
<b>NIS</b>	—	—	—	—
New Obligation Authority	—	—	—	—
Carryover/recoveries	—	—	—	—
<b>IDA</b>	<b>190</b>	<b>28</b>	<b>200</b>	<b>48</b>
<b>PL 480</b>	<b>502</b>	<b>72</b>	<b>219</b>	<b>52</b>
<b>Total</b>	<b>692</b>	<b>—</b>	<b>419</b>	<b>—</b>

**Fiscal Year 1998**



**Fiscal Year 1999**



ments of Agriculture, Defense, and State, nongovernmental donors, and

other U.S. government agencies throughout the national security and foreign policy communities.

**Table 6.1. Involvement of Other Donors and U.S. Government Agencies**

<b>Major Donors</b>	<b>Agency Objective 6.1 <i>Prevention</i> Potential impact of humanitarian crisis reduced</b>	<b>Agency Objective 6.2 <i>Relief</i> Urgent needs met in crisis situations</b>	<b>Agency Objective 6.3 <i>Transition</i> Security established and basic institutions functioning to meet critical needs and basic rights</b>
<b>International Organizations and Bilateral Donors</b>			
Canada	X	X	X
Denmark		X	X
European Union	X	X	X
Germany	X		
Irish AID		X	X
Japan		X	X
Netherlands	X	X	X
Sweden	X	X	X
UNICEF		X	X
United Kingdom	X	X	X
World Bank	X	X	X
World Food Program	X	X	X
<b>Private Foundations</b>			
Soros			X
<b>U.S. Agencies</b>			
Agriculture		X	X
Commerce			X
Defense	X	X	X
EPA			X
FEMA		X	
International Comm. of Red Cross	X	X	X
IFRC (Red Cross, Red Crescent)	X	X	
International Org. of Migration	X	X	
State/USIA	X	X	X
Treasury			X
UN Department of Humanitarian Affairs	X	X	X
UN High Commission for Refugees	X	X	
UN Off. for Coordination of Humanitarian Affairs	X	X	X
World Health Organization	X	X	X

## ***Involvement of Other Donors and U.S. Government Agencies***

USAID has led the effort to involve other donors in humanitarian assistance efforts and served as a focal point for other U.S. government agencies. We remain the largest bilateral donor in humanitarian assistance. Contributions from the donor community are coordinated with governments in host coun-

tries and use the expertise of government and nongovernmental organizations (NGOs) in designing and implementing their program. NGOs play an important role in implementing USAID programs.

Table 6.1 shows the areas where involvement of other donors and U.S. government agencies intersect with USAID's primary interest in the humanitarian assistance sector.

## **II. USAID Strategies And Program Performance**

USAID's humanitarian assistance addresses three broad categories: natural disasters, man-made disasters, and complex emergencies. *Natural disasters* are caused by physical hazards such as drought, earthquake, fire, flood, and outbreak of pests and disease. *Man-made disasters* are caused by human error in design, implementation, operation, or management, such as a building collapse, industrial accidents, or unsound legal and policy regimes. *Complex emergencies* may include natural disasters, such as droughts, but are frequently

caused or complicated by civil strife. They are manifested in hunger, injury, death, armed conflict, and displaced populations.

The Agency's goal is to save lives, reduce suffering, and reestablish conditions necessary for political and economic development. Its objectives under this goal are *prevention* (6.1), *relief* (6.2), and *transition* (6.3).

Humanitarian assistance improves the capacity of countries to plan and prepare for disasters, mitigate their effects, and respond when disaster strikes (prevention). The Agency provides essential food, shelter, and water to keep thousands of people alive during disasters (relief). Effective preparedness along with early warning and disaster mitigation systems help lessen the impact of disasters and improve the ability of countries to cope with crisis (transition). In addition, USAID supports longer term rehabilitation and recovery for countries in transition, emerging from complex emergencies. These activities emphasize the special needs of countries emerging from crises



caused by political and ethnic strife. Helping societies and governments shift from emergency relief to reestablishing political and social stability is an important component of the Agency's humanitarian assistance. Examples: Demobilizing ex-combatants and removing land mines enhances local security; strengthening local governance and institutions promotes reconciliation and helps reintegrate societies; rebuilding physical and social infrastructure, such as the capacity to rehabilitate victims of torture, integrates relief with transitional and development assistance.

The past year has witnessed experimentation within the Agency and with our development partners in new analytic and programmatic approaches for providing assistance in a more timely and effective manner and working in conflict and postconflict transitions. The following section summarizes USAID's humanitarian assistance programs implemented in 1998.

### ***Agency Objective 1 (Prevention): Increase Emphasis on USAID's Role in Preventing Conflict***

*Policy guidance developed.* A redrafted statement by the USAID Administrator providing policy guidance on conflict prevention was cabled to all missions and diplomatic posts. USAID's Africa Bureau is putting into operation policies to prevent, manage, and resolve conflict by encouraging each post to analyze conflict risk and recommend measures to directly address these vulnerabilities through USAID and other U.S. government programs.

*Vulnerabilities identified: translating analysis into strategies and programs.* Failure to incorporate analysis of a country's political or economic situation has led to missed opportunities to include millions of citizens in dynamic transitions. For example, **Angola's** transition process has failed primarily because of the international community's endorsement of a winner-take-all electoral and parliamentary system. **Liberia** shows troublesome signs and the possibility of a return to conflict if targeted support is not continued.

*Agency pilot countries selected.* USAID and the State Department have made progress on selecting Agency pilot countries in Africa, Europe and Eurasia, and Asia and the Near East. In Africa, we are reasonably on track. **Ethiopia, Guinea, Rwanda, and Zimbabwe** are in differing stages of development. The newly proposed Zimbabwe strategy was recently reviewed favorably in USAID/Washington. The discussion brought attention to the potential crisis in the country and to what the Agency can contribute to minimizing the risk of a major societal breakdown. Despite the war in **Ethiopia**, efforts are continuing with the mission proposing to work on prevention in the southern tier. In Europe and Eurasia, the mission in **Georgia** has undertaken its own analysis of conflict with some USAID/Washington assistance. In Asia and the Near East, **Nepal** was chosen recently as the pilot country, and analysis of the root causes of conflict was included during the framework-setting exercise. The Office of Transition Initiatives and the Global Center for Democracy and Good Governance, among other USAID offices, are assisting Agency missions with conflict prevention frameworks and analysis.

**Failure to incorporate analysis of a country's political or economic situation has led to missed opportunities to include millions of citizens in dynamic transitions. For example, Angola's transition process has failed primarily because of the international community's endorsement of a winner-take-all electoral and parliamentary system. Liberia shows troublesome signs and the possibility of a return to conflict if targeted support is not continued.**

**We have agreed to establish a working group to develop a systematic information exchange. We have also agreed to initiate a joint-donor pilot effort in up to 10 countries on peace building and conflict prevention to improve operational effectiveness. We are collaborating with the Carnegie Institute on a new paper on the role of development cooperation in conflict prevention.**

*Donor efforts on conflict prevention enhanced.* Conflict prevention was one of the six themes for the May 1999 high-level U.S.–European Commission consultations. Those talks proved an excellent opportunity to proceed on policy coherence and exchanges at the technical level. We have agreed to establish a working group to develop a systematic information exchange. We have also agreed to initiate a joint-donor pilot effort in up to 10 countries on peace building and conflict prevention to improve operational effectiveness. We are collaborating with the Carnegie Institute on a new paper on the role of development cooperation in conflict prevention. The German government has sponsored the inclusion of conflict prevention and the role of development cooperation on the G–8 agenda. The issue was to be addressed in a meeting at the end of 1999 in Berlin.

*Training planned.* To heighten awareness and preparation of field staff, we will introduce a conflict-prevention module for training USAID new entrants and the Reaching for Results reengineering course. We have collaborated with the State Department Foreign Service Institute’s political training director to improve the department’s interagency course on conflict prevention.

*Agency approach refocused.* In fiscal year 1999, conflict prevention was moved from simply a humanitarian assistance goal to a crosscutting issue across all of the Agency’s sectors.

There was concern that addressing crisis prevention or mitigation as a separate objective—particularly for man-made

(complex) crises—did not fit well under the humanitarian assistance framework. Because crises tend to be cyclical, and because it remains difficult to demonstrate the direct effect of USAID programs in conflict prevention (that is, prove a negative), having a separate prevention objective as part of the framework made it confusing to report separately on results. After a series of consultations within the Agency and elsewhere in the government, the USAID Administrator chose a modest proposal to improve USAID internal prevention performance in relation to economic crises, political chaos, and complex emergencies and deadly conflict by taking five steps:

1. Require more objective analysis of root causes of and vulnerability to conflict, as part of the country strategic planning process and country teams’ preparations on mission performance plans
2. Restate Agency conflict-prevention policy and reissue policy guidance on conflict as part of the mission performance plan
3. Develop a set of conflict-prevention frameworks, applications, and tools, and distribute them to the field
4. Review country strategic plans in USAID/Washington more critically to ensure that strategies help prevent conflict
5. Ensure that appropriate development assistance and tools are applied during strategy implementation

## ***Agency Objective 2 (Relief): Direct Aid and Donor Coordination***

### **Direct Aid Meets Critical Food Needs; The United States Is the Largest Food Aid Donor**

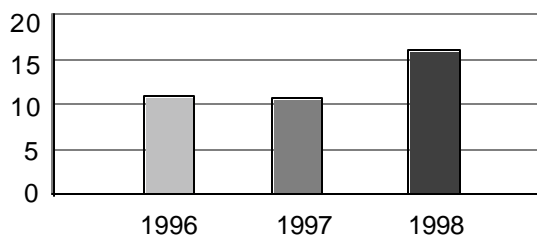
Through strides made in performance monitoring, USAID's Title II emergency food aid program is able to determine that it reached over 77 percent of the total 21.3 million beneficiaries targeted by the program in fiscal year 1998. Implemented primarily by U.S. private voluntary organizations (PVOs) and the World Food Program, the Title II emergency food aid program reached at least 16.4 million beneficiaries. This represents an increase of 42 percent in the number reached through Title II emergency food aid from the previous year. USAID in 1998 provided 921,350 metric tons of food aid, valued at over \$481 million, to more than 22 countries. In addition, USAID supported the World Food Program's Protracted Relief Operations in 12 countries, contributing 217,120 metric tons of food commodities valued at more than \$116 million. This represents 41 percent of the total tonnage (and 36 percent of the total value) mobilized by WFP from all donors for its worldwide operation in 1998.

As part of the Agency's efforts to measure progress toward its goals and to quantify the impact of programs on people, Title II emergency aid programs seek to maintain and improve the nutritional status of beneficiaries. In this regard, the quality of reporting by

programs on how food aid affects the nutritional status of beneficiaries improved significantly in 1998.<sup>5</sup> More than half of all Title II food aid programs reported maintaining or improving nutritional status of beneficiaries. For example, one private voluntary organization program in **Sudan** reported that the malnutrition rate among children under 5 dropped from more than 40 percent to 12 percent in seven months in the project area. The Title II program has led USAID's efforts to reach the U.S. government's foreign policy goal of maintaining the nutritional status of children living in regions affected by humanitarian emergencies and to report on the Agency goal area indicator on nutrition (performance goal 2). Because of the known relationship between nutrition and mortality, this accomplishment will help reduce abnormally high death rates in refugee populations (performance goal 1). (A later section discusses these performance goal indicators.)

Besides providing emergency food needs, the Agency provides other critical needs in health, sanitation, shelter, and water. In 1998 the Office of Foreign Disaster Assistance (OFDA) responded to 87 declared disasters, 65 of them natural disasters.<sup>6</sup> This was a significant

**Figure 6.2. Number of Beneficiaries  
Of Title II Emergency Food Aid (millions)**





increase from fiscal year 1997, when the office responded to 48 officially declared disasters, 27 of them natural. The most destructive natural disasters were hurricanes. In September 1998, Hurricane Georges swept across the **Dominican Republic**, claiming hundreds of lives and displacing thousands of people. Critical shortages of food, water, and shelter occurred in poor urban neighborhoods and rural areas throughout the country. Malaria, cholera, dengue, conjunctivitis, diarrhea, and acute respiratory infections became potential health problems. OFDA supported the Pan American Health Organization's appeal for emergency assistance to meet hurricane victims' health needs and worked with the Peace Corps to deliver food to displaced persons. In addition, the office provided water tanks, water purification supplies, and generators to power small municipal water pumps. In October 1998, Hurricane Mitch hit **Central America**. The relief effort will be reported on in the next Agency Performance Report.

The Office of Foreign Disaster Assistance anticipated the effects and reduced the impact of disasters on victims, in partnership with agencies such as the National Oceanic and Atmospheric Administration and the World Bank. The partnerships led to the foundation of the International Research Institute for Climate Prediction, a NOAA-funded consortium of two universities that provided operational regional seasonal climate forecasts worldwide through the 1997–98 El Niño Southern Oscillation. Preventive action taken by **Brazil** and other countries resulted in the production of bumper crops—despite the forest fires brought on by drought in a period when rainfall was 23 percent below normal. Improved climate forecasting

has been used by health officials in **South America** to take steps to reduce the number of malaria and dengue fever cases arising from the increased moisture associated with El Niño. President Clinton heralded USAID's collaboration with NOAA at the April 1998 Summit of the Americas when he announced a bilateral agreement between the United States and **Chile** to launch a Pan-American Climate Information System.<sup>7</sup>

In Latin America, the El Niño Southern Oscillation drought brought fires in **Brazil**. USAID and its partners responded quickly with relief assistance. A congressional hearing that highlighted areas of high fire risk led to a broad-based mobilization effort against accidental fire and a presidential decree that included Agency-sponsored, community-based fire control measures. USAID coordinated an interagency working group response to the 1998 Amazon fires and helped train 120,000 Amazonians in fire management. The Agency was the only international donor in **Brazil** to respond with fire mobilization resources during the severe 1998 fire season.

USAID continues to deal with the aftermath of Hurricane Mitch. To support economic and social recovery and improve resiliency throughout Latin America, the U.S. government is emphasizing environmental protection and natural disaster mitigation as integral elements of post-Mitch reconstruction.<sup>8</sup>

In Europe and Eurasia, as violent conflict began growing in **Kosovo**, the degree of humanitarian emergency escalated. Fighting began in late February 1998, set off by a series of clashes between Serbian security forces and members of the Kosovo Liberation

Army, an ethnic Albanian group fighting for an independent Kosovo. As a consequence of the fighting, thousands of Kosovar Albanians were displaced from their homes and fled into neighboring **Albania, Macedonia, and Montenegro**. In August, USAID developed a winter emergency program for refugees and internally displaced persons as the conflict continued to escalate. The Agency then proceeded to meet primary humanitarian needs: food, shelter, emergency health care, winterization assistance, and water and sanitation assistance. By the end of fiscal year 1998, it became clear that the Kosovo situation would only worsen in FY99, and the number of refugees and internally displaced persons would eventually exceed a million.

The terrorist bombings of the U.S. embassies in **Kenya** and **Tanzania** in August 1998 killed 247 people, including 12 U.S. citizens and 32 foreign service nationals. Nearly 5,000 people were injured. The Office of Foreign Disaster Assistance responded by quickly providing medical supplies and deploying the U.S. Urban Search and Rescue team from the Fairfax County, Va., Fire and Rescue Department to coordinate U.S. search and rescue efforts. OFDA provided more than \$2.4 million for the effort and transported a team from the Miami-Dade Fire and Rescue Department, from Florida, to Washington to help coordinate response efforts. OFDA collaborated with various government groups, UNICEF, and several nongovernmental organizations that provided medical and home- and community-based assistance to survivors and families. Efforts were also coordinated with other donors such as the World Bank, the German and British governments, and the World Food Program—the last of which delivered

emergency medical supplies provided by the World Health Organization.

## Improving Coordination Within and Without USAID

USAID has made progress in coordinating with other donors. For example, under a pact known as the Transatlantic Agenda, the Agency is committed to meet regularly with the European Union at the working level on humanitarian assistance planning. USAID will assign an EU humanitarian assistance liaison in Brussels. This will ensure better coherence and adequacy of emergency response between the two largest donors of humanitarian assistance. The Agency expanded its coordinating network through joint meetings, information sharing, and collaboratively funded activities.

The Agency is also making progress persuading other donors and organizations to increase contributions to humanitarian assistance programs. This includes support to countries transitioning from complex crises. The Agency is working in **Angola** with the European Commission Humanitarian Office on collaborative funding of activities. In **Sierra Leone**, ECHO and the Office of Foreign Disaster Assistance cofund several humanitarian programs through private voluntary organizations or NGOs. The Office of Food for Peace collaborates with the World Food Program on joint-sponsored food aid activities worldwide.

USAID has established a closer working relationship with United Nations agencies involved in health and nutrition—particularly with the World Health Organization, the World Food Program, and the UN Administrative Coordinating Committee subcommittee

**USAID will assign an EU humanitarian assistance liaison in Brussels. This will ensure better coherence and adequacy of emergency response between the two largest donors of humanitarian assistance.**

on nutrition. The last group, the ACC/SCN, is a coordinating mechanism for exchange of information and technical guidance. The Agency is collaborating with ACC/SCN's Refugee Nutrition Information System and the Health Information Network for Advanced Planning (HINAP) to monitor the performance goals on crude mortality rate and nutritional status of children under 5 in complex emergencies. Established in 1998, HINAP is a joint project of the World Health Organization and the Centers for Disease Control and Prevention. It provides health and related information for planning in advance of mass population displacements attributable to complex emergencies. It also monitors evolving emergencies for better response. HINAP is a partnership between organizations (NGOs, the UN, international organizations, and donor and host governments) involved in complex emergencies.

In addition to the World Health Organization, UNICEF and the United Nations High Commissioner for Refugees are involved in USAID's goal monitoring by sharing their databases and assisting in the selection of pilot sites and countries. UNICEF emergency programs will explore possibilities where the collection of crude mortality rates can be linked with ongoing data gathering on nutrition. Currently, UNICEF's Multiple Indicator Cluster Survey, which is being undertaken in 60 countries, includes data on crude mortality rates and nutritional status at the national level.

USAID worked closely with the UN High Commissioner for Refugees and the World Food Program for the quick release of humanitarian rations to meet

critical food needs of internally displaced persons and refugees in **Bosnia, Kosovo, and Montenegro.**

The Agency supports the Health Information Network for Advanced Planning and the Refugee Nutrition Information System to access proactive and updated information on health, nutrition, and other factors affecting populations in emergency situations. Timely provision of vital health, nutrition, and other data to the Agency and its implementers is improving program design, monitoring, and targeting of humanitarian assistance programs to the most vulnerable groups. During the early days of the **Kosovo** crisis, private voluntary organizations were provided critical information through regular e-mail. For the first time, World Health Organization health data went to implementers in the field instantly. Thanks to satellite telephones, some PVOs had access to e-mail in their tents in the refugee camps. This marked significant progress from past emergencies, particularly from the 1994 Rwanda crisis.

Coordination with other U.S. government agencies (notably the national security community) is increasingly close in planning and implementing humanitarian assistance. Presidential Decision Directive 56 (on managing complex contingency operations) recognizes that effective response to complex emergencies requires multidimensional operations with diplomatic, humanitarian, intelligence, security, and economic assistance components. Coordination has increased on operational issues with several U.S. agencies (such as the State Department's Bureau of Population, Refugees, and Migration), with efforts

being made to develop common performance indicators for humanitarian assistance.

USAID works closely with the Department of Agriculture to improve the nutritional quality and monitoring of Title II food commodities, such as vegetable oil. The USDA announced, effective 1 December 1998, that all Title II refined vegetable oil would be fortified with vitamin A. The United States donates about 145,000 metric tons of vegetable oil per year under the Title II program. That reaches about 20 million people in more than 40 countries.

Coordination is also closer with Agency missions that have been encouraged to integrate transition and food security programs into their portfolios. As a result, a number of missions have shifted program priorities to prevention and mitigation of natural and man-made disasters. The Office of Foreign Disaster Assistance has strengthened collaborative working relationships with USAID missions and the U.S. military.

Although efforts have been made to improve U.S. government and donor coordination, many challenges remain. One is to find better ways to coordinate Title II food deliveries with the World Food Program. USAID's Bureau for **Latin America and the Caribbean** and Center for Development Information and Evaluation are conducting an evaluation of relief efforts after Hurricane Mitch.

U.S. policy objectives and the supporting role and use of humanitarian assistance programs must be defined early during an emergency and be based on thorough political, economic, and military analysis. As was the case in **Rwanda**

and in other complex political emergencies, combatant groups can manipulate humanitarian assistance to support their own political and military objectives and purposes. USAID and the rest of the U.S. government need to recognize this early and deliver clear, objective, timely analysis of the situations. The analysis is essential to support the development of integrated and coherent policy options and decisions for the design of appropriate programs and resource allocation. A more streamlined interagency decision-making structure is required to define objectives, roles, and responsibilities. Such streamlining will help ensure that policy and programs work in harmony and humanitarian assistance is not politicized.

USAID continues to rely on PVOs and NGOs to implement its humanitarian response as they respond to changing situations. Such partners are logical, low-cost links to local groups generating broad-based community participation.

### ***Agency Objective 3 (Transition): Ensure That Common Elements Form the Core of USAID's Strategy in Postconflict Transitions***

USAID advances peaceful, democratic changes in conflict-prone countries of strategic importance and humanitarian concern to the United States. The Agency *responds creatively to transition opportunities* around the world and translates those experiences into policy options and technical expertise for wider use.

**As was the case in Rwanda and in other complex political emergencies, combatant groups can manipulate humanitarian assistance to support their own political and military objectives and purposes. USAID and the rest of the U.S. government need to recognize this early and deliver clear, objective, timely analysis of the situations.**

**Lessons learned from these experiences worldwide are incorporated into the framework and in Agency postconflict transition programs to anticipate and mitigate potential conflict. Humanitarian assistance programs effectively mitigated economic and social crises in Bosnia and the Democratic Republic of Congo in 1998.**

The Office of Transition Initiatives developed new mechanisms and procedures, such as Support Which Implements Fast Transitions (better known as Swift), to respond quickly and effectively to opportunities and crises worldwide. OTI is able to establish a presence for new country programs, with communications, security, and administrative and logistic support for rapid assessments. Such activities have been integrated into mission strategic frameworks.

OTI has provided additional support to USAID missions in several areas:

- 1) analyzing and developing program tools to address specific transition issues;
- 2) pilot-testing new approaches, including support for a wide range of “change agents” in a society;
- 3) providing sector expertise, including media in the **Balkans**, especially in the former **Yugoslavia** and demobilization/reintegration of ex-combatants to support the peace accords in **Guatemala**;
- 4) concentrating economic growth programs in secondary cities to alleviate war-related migration to the capital and reduce the potential for future conflict (such as in **Haiti** and **Peru**);
- 5) providing fast assistance, allowing for eventual establishment of longer term programs or reorientation of existing programs in response to changed conditions; and
- 6) using regional platforms and hubs with access to areas outside capital cities (such as beyond Kinshasa, in the **Democratic Republic of Congo**).<sup>9</sup>

OTI is one of several USAID organizations that address different elements of postconflict situations. The Agency has a high priority on developing postconflict programs that lead to effective transitions and to sustainable posttransition growth.

USAID’s Global Center for Democracy and Good Governance and the Office of Transition Initiatives have worked jointly with the regional bureaus and their missions to promote peaceful postconflict political, economic, and social transitions—often by mitigating crises that could lead a country or region to war.

The Global Center for Democracy and Good Governance developed a *strategic assessment framework* for countries in postconflict transition or crisis. It includes a range of program options, such as justice sector reform, support for citizens’ advocacy efforts, and technical assistance for strengthening fragile institutions to implement transition strategies. These strategies and programs complement OTI’s work advancing peaceful democratic change by building rapid-response activities that meet citizens’ most urgent needs. Lessons learned from these experiences worldwide are incorporated into the framework and in Agency postconflict transition programs to anticipate and mitigate potential conflict.

For example, while *conflict prevention* is the main objective in unstable environments, conflict-prevention strategies as such (for example, the Greater Horn of Africa Initiative) have had limited impact. In contrast, *humanitarian assistance programs* (such as OTI’s approach to removing obstacles to meeting critical citizen needs) effectively mitigated economic and social crises in **Bosnia** and the **Democratic Republic of Congo** in 1998.

In **Latin America and the Caribbean**, the Agency has made significant strides over the past two decades in



dealing with *shifts from dictatorship to democratic governance*. Thirty-four LAC countries now have democratically elected heads of government. For the first time, transitions of power from one democratically elected government to another take place in credible and successful elections. The number of human rights violations has fallen, and momentum is growing toward building inclusive, democratic institutions. The Agency has contributed significantly to these efforts.

In **Guatemala** the U.S. government and other donors pledged \$1.9 billion over four years (1997–2000) to support implementation of the historic peace accords signed in December 1996. In **Nicaragua**, USAID’s postconflict strategy of promoting broad-based sustainable development appears to be working, with several positive developments. They include 1) a projected 6 percent increase in GDP this past year (owing in part to the mandated reconstruction expenditures following from Hurricanes Georges and Mitch), 2) an ease in inflation, 3) resolution of confiscated-property cases for 1,750 U.S. citizens, 4) a decline in infant mortality and fertility rates, and 5) increased transparency in government management of the public sector as shown by a rise in primary school completion rates. The war-to-peace program in **El Salvador** left a legacy of good work that serves as a model for the same program in Guatemala.

In **Africa**, programs are performing well, given the changing context. USAID made progress in *rehabilitating communities*, after civil war left countries and infrastructures in ruins. In **Liberia**, although there are concerns about a return to conflict in the future, security

remained relatively stable throughout 1998, allowing large numbers of internally displaced populations and refugees to resettle in their towns and villages of origin. Agriculture rehabilitation efforts continue to go well. Distribution of seeds and assorted farming tools has led to expansion in rice-cultivated areas and contributed significantly to the recovery of the 1998 harvest. Food-for-work rations provided incentives for community rehabilitation activities that led to the repair of bridges, schools, clinics, and farm-to-market and feeder roads. War-affected youths attended vocational training schools with more than 52 percent of enrolled students graduating (though only 25 percent found employment right away). The potential for a return to conflict continues but, during the review period, it was successfully avoided.

In **Uganda**, transitional activities were undertaken to increase food production, improve access to markets, and enhance farmers’ local capacity. Activities included creating farmers associations and marketing nontraditional cash crops by strengthening marketing links and systems. These led to a marked increase in one remote community in yields, food production, and food security at the household level. More than 1,700 households adopted improved agricultural practices. As a result, beneficiaries increased their amount of disposable income, and a total of \$140,000 was injected into the local rural economy.<sup>10</sup>

In southern **Sudan**, the Agency supported an intervention that increased local agricultural production and promoted the marketing of surplus to NGOs. By the end of fiscal year 1998, USAID-funded NGOs had helped revive livelihoods for 100,000 Sudanese



**In fiscal year 1998, 10 Agency missions and 2 nonpresence countries in Africa reported that their programs were directly affected by internal or external conflict. Nine missions said they were operating in countries with the potential for conflict, and only eight missions did not report that conflict was an issue.**

and met basic food needs of refugees—the displaced populations that received the surpluses.<sup>11</sup>

The Bureau for Africa has made significant strides in developing strategic programs that support postconflict transitions and mitigate dangerous crises. In fiscal year 1998, 10 Agency missions and 2 nonpresence countries in **Africa** reported that their programs were directly affected by internal or external conflict. Nine missions said they were operating in countries with the potential for conflict, and only eight missions did not report that conflict was an issue.

To share information and lessons learned, Africa Bureau launched the Conflict Web site in late spring 1999, as an interactive tool linking Agency resources and providing links to other sites. That spawned the Agency's intranet site. In fiscal year 1998, conflict prevention and mitigation was the key factor in Africa Bureau's decision to fund an organization known as Accord. An indigenous organization based in **South Africa**, Accord works on (in the words of many Africans) "African solutions to African problems."

Almost every country in **Asia and the Near East** with a democracy and governance strategic objective channels resources to local NGOs to strengthen its analytic and outreach capacities. The trend now seems clear: after years of USAID assistance, many of these organizations have become effective advocates for policy and institutional reform. In the **West Bank–Gaza**, NGOs have succeeded in getting a law passed to govern NGO operations, thus

ensuring a more open environment for the debate of public policy issues. The law is widely considered the most progressive of its kind in the Middle East.

In **Cambodia**, where legislative restrictions prevent us from working with the government, USAID-supported coalitions for human rights and legal-aid NGOs have attained the advocacy and outreach skills necessary to ensure they can guard against human rights abuses.

The effect of the Kosovo conflict echoes throughout **Europe and Eurasia**. It is a prime argument for the utility of conflict prevention over postconflict rehabilitation. To ensure a durable peace, vital to the stability of this volatile region, the United States, the European Union, and other donors are promoting a strategy of regional cooperation and integration for southeast Europe. Nearly a decade into USAID programs in Europe and Eurasia (but before the Kosovo crisis), the bureau initiated a review of the strategies and assumptions underlying its programs. It concluded that new approaches to complete the transition across the region might be necessary. The original assumption—that a quick in-and-out strategy would work with all the formerly communist countries—has been reassessed, and the bureau's strategy is being reoriented accordingly. In addition, the E&E Bureau is finding ways to support conflict prevention in country strategies and is increasing its ability to identify and monitor indicators of vulnerability to crisis.

### III. Agency Objectives By Operating Unit and Region

Table 6.2 shows field-based operating units with strategic objectives during fiscal year 1998 that supported the humanitarian assistance goal and

Agency objectives. More than half of the Agency’s humanitarian assistance objectives were in **Africa**.

	Africa	ANE	E&E	LAC	Total
<b>Total field-based operating units</b>	29	16	25	17	87
<b>Total with humanitarian assistance objectives</b>	11	2	6	1	20
Prevention	7	0	2	0	9
Relief	7	1	3	0	11
Postconflict Transitions	5	1	6	1	13

*Note:* This table shows field-based operating units with strategic objectives in support of the humanitarian assistance goal and Agency objectives. Operating units may have more than one humanitarian assistance strategic objective. In addition, some of the operating units’ strategic objectives support more than one Agency goal or objective. See annex B for details on distribution of programs in field-based operating units.

### IV. Performance by Fiscal Year 1999 Annual Performance Plan

In fiscal year 1998, USAID and its partners implemented a range of programs to achieve the humanitarian assistance goal, abbreviated as *prevention*, *relief*, and *transition*. As anticipated in the 1999 Annual Performance Plan, the Agency had difficulty measuring performance in humanitarian assistance against selected indicators and targets. After ongoing consultations over the past year, the Agency arrived at an agreed-upon methodology and process related to indicators for Agency objective 2, *relief*, and a definition related to Agency objective 3, *postconflict* and *postdisaster transitions*.

*Conflict prevention*, Agency objective 1, was dropped as a humanitarian assistance goal, as it is difficult to demonstrate the direct effect of USAID programs in this area. But conflict prevention activities will be integrated within the Agency, as part of the strategic planning and results reporting process by all operating units where conflict represents a major impediment to achieving or sustaining economic growth and development.

A review of the humanitarian assistance portfolio shows that the Agency has increased its concentration on complex

emergencies and postconflict transitions. A trend toward more politically oriented issues—and away from USAID’s more traditional emphasis on humanitarian assistance and sustainable development—has been recognized. The Agency seeks to balance renewed emphasis on maintaining its commitment to long-term development with the analysis needed to mitigate or prevent crisis and conflict.

Humanitarian emergencies are increasing in number and complexity. Trend analyses indicate the high probability of a decade of superdisasters.<sup>12</sup> USAID and the donor community need to give special attention to anticipating, mitigating, and responding to crises. Specifically, coordination among organizations such as those described in section II of this chapter needs to be improved to meet the increasing challenge.

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**PERFORMANCE GOAL 1: CRUDE MORTALITY RATE FOR REFUGEE POPULATIONS RETURNED TO NORMAL RANGE WITHIN SIX MONTHS OF ONSET OF AN EMERGENCY**

USAID monitors crude mortality rate (see table 6.3) with help from the World Health Organization’s joint project (Health Information Network for Advanced Planning) with the Centers for Disease Control and Prevention. Crude mortality rate data are analyzed

with data on the nutritional status of children under 5 in the same pilot sites, as nutritional status has a close correlation with mortality rates.<sup>13</sup>

High levels of acute malnutrition (wasting) are a good predictor of

**Performance Table From Fiscal Year 1999 Annual Performance Plan**

**Table 6.3. Performance Goal 1: Crude Mortality Rate for Refugee Populations Returned to Normal Range Within Six Months of Onset of the Emergency Situation**

*Indicator:* Crude mortality rate in emergency situations.

*Sources:* World Health Organization, U.S. Census Bureau, Centers for Disease Control and Prevention, and United Nations High Commissioner for Refugees.

		APP Baseline(1)	Latest Actual (2)	Target (3) 1999
Agency Level	planned			20.0
	actual	n/a	n/a	

*Note:* Data are not available to complete the performance table. Revisions were made in how the indicator is defined and will be measured. That altered the baseline and targets. Revisions were made to facilitate the measurement and monitoring of this indicator because data are available only for pilot emergency sites. Crude mortality rate provides an overall indicator of the overall status of affected populations in emergencies. It indicates the current health status of a population and provides a baseline against which the effectiveness of relief programs can be assessed. A crude mortality rate exceeding 1 per 10,000 a day signifies a “very serious emergency.”

1. and 2. Revisions were made in 1998 in defining the indicator, how it will be measured, and how the baseline will be established. Therefore, the planned 1999 target is no longer relevant.

3. See fiscal year 2001 Annual Performance Plan for new definition, target, and selected pilot sites for monitoring.

elevated mortality. Going by the Administrative Coordinating Committee subcommittee on nutrition's most recent data from 1994 through 1997, levels of wasting above 10 percent indicate elevated mortality (1 death per 10,000 people per day). Pilot sites for monitoring crude mortality rate and the nutritional status of children were selected on the basis of data availability. Six sites were selected in four countries: **Angola, Kenya, Nepal, and Sudan**. Since U.S. private voluntary organizations still must gain expertise to collect crude mortality rates, data for monitoring this performance goal are drawn from other sources. They reflect performance and activities of donors other than USAID. Additional emergency sites in **Burundi** and **Somalia**—each of which receives a major share of USAID's humanitarian assistance—will be added, as data become available.

## Performance Analysis

There are no planned-versus-actual data to report. As defined in the fiscal Year 1999 Annual Performance Plan, the original indicator implied (erroneously) that measurement tools and data sources existed to determine the global proportion of acute malnutrition in children under 59 months in emergency situations. In 1998, once the unfeasibility of this measure became apparent, USAID held extensive consultations with collaborating agencies. The Agency redefined this indicator and is now monitoring performance at selected emergency sites where crude mortality rate and nutritional status data are available and are likely to be available from the same sources in the future. For this reporting period, the Agency concentrated on establishing a baseline and setting new targets for subsequent monitoring and reporting.

## Revisions to the Fiscal Year 2000 Annual Performance Plan

The fiscal year 1999 Annual Performance Plan introduced the crude mortality rate as a performance goal to measure effective and efficient response in times of emergency. This performance goal is maintained in the FY00 Annual Performance Plan, but with revisions to the indicator's definition, how and where it will be monitored, and sources of data.

Rather than targeting crude mortality rate reduction globally in refugee populations (as was established in the FY99 APP), for which there are insufficient data in the FY00 Annual Performance Plan, the Agency indicated that it could select sites where baseline data are now available—and are likely to be available for future trend analysis from the same sources. These were disaggregated and identified as individual “pilot sites.” Each emergency pilot site will be monitored to ensure that the crude mortality rate decreases, especially within the first six months of an emergency situation, regardless of initial rate.

Crude mortality rates exceeding 1 death per 10,000 people a day signify a “very serious emergency” situation. Analysis of crude mortality rates will be considered with nutritional status of children under 5 in the same pilot sites. This provides context and more accuracy in interpreting data, because of the close correlation between mortality rates and nutritional status. Private voluntary organizations or nongovernmental organizations undertaking USAID-funded programs on nutritional status of children are collecting the data.

USAID has decided that rather than using diverse sources of data to analyze performance, it will use the data analyzed by the Health Information Network for Advanced Planning. USAID has been able to record baseline data for this performance goal, owing to the official working agreement with HINAP using an existing UN mechanism monitoring health and nutrition status of populations in complex emergencies.

### Adjustments to Be Included in the Fiscal Year 2001 Annual Performance Plan

A total of six pilot sites in Angola, Kenya, Nepal, and Sudan were selected and included for the FY01 APP. Targets for crude mortality rate were established for each site.

## PERFORMANCE GOAL 2: NUTRITIONAL STATUS OF CHILDREN UNDER 5 IN POPULATIONS MADE VULNERABLE BY EMERGENCIES MAINTAINED OR IMPROVED

### Performance Analysis

Following extensive consultations with collaborating agencies in 1998, USAID redefined this indicator (see table 6.4) to make it measurable. For this reporting

period, the Agency undertook to establish a baseline and set new targets for subsequent monitoring and reporting. (See discussion under performance goal 1.)

### Performance Table From Fiscal Year 1999 Annual Performance Plan

**Table 6.4. Performance Goal 2: Nutritional Status of Children Under 5 In Populations Made Vulnerable by Emergencies Maintained or Improved**

*Indicator:* Proportion of children under 59 months who are wasted (weight for height).

*Sources:* UN High Commissioner for Refugees, U.S. Bureau of the Census, Centers for Disease Control and Prevention, and private voluntary and nongovernmental organizations.

		APP Baseline(1)	Latest Actual (2)	Target (3) 1999
Agency Level	planned			65.0
	actual	n/a	n/a	

1. Fiscal year 1999 Annual Performance Plan target: Changes were made in defining the indicator, how it will be measured, and how baseline will be established. Therefore, the planned 1999 target is no longer relevant.

2. There are no data to enable USAID to report on this performance goal. Thus, in the Annual Performance Plans for fiscal years 2000 and 2001, revisions were made in how the indicator is defined and will be measured. Baseline and targets have changed accordingly. Revisions were made to facilitate the measurement and monitoring of this indicator because data are available only for pilot emergency sites.

3. See fiscal year 2001 Annual Performance Plan for new definition, target, and selected pilot sites for monitoring.

## Revisions to the Fiscal Year 2000 Annual Performance Plan

The fiscal year 1999 Annual Performance Plan introduced *improving the nutritional status of children (wasting) under 5* as a performance goal. This is continued in the fiscal year 2000 Annual Performance Plan but with revisions to the definition of the indicator, how and where it will be monitored, and sources of data. Rather than assess the global proportion of children under 5 who are wasted<sup>14</sup> in five countries (for which there are no data), the FY00 APP said that nine pilot emergency sites would be selected where baseline data are currently available and likely to remain available for future trend analysis. Each emergency site will be monitored to ensure that acute malnutrition rates stabilize or decline to acceptable levels in emergencies (that is, prevalence is less than 10 percent in children 6 to 59 months). In addition, analysis of nutritional status of children will take place with crude mortality rate in the same pilot sites. This will provide context and better accuracy in interpreting data.

The data source was also changed. Rather than using diverse sources of data for analysis of performance, data on nutrition are compiled and analyzed by the Refugee Nutrition Information System of the UN Administrative Coordinating Committee subcommittee on nutrition. The ACC/SCN helps the UN respond to nutritional problems. The Refugee Nutrition Information System compiles and analyzes nutritional data of refugees and displaced populations from all sources, including USAID-funded programs. This linkage has enabled the Agency to establish baseline data for this performance goal. Nutritional data are analyzed with crude mortality rate data in some pilot sites where both data sets are available.

## Adjustments to Be Included in the Fiscal Year 2001 Annual Performance Plan

Nine pilot sites, in **Angola, Kenya, Sudan, Uganda, Nepal,** and the former **Yugoslavia**, were selected and included in the FY01 APP. The indicator and source were not changed from the FY00 APP.

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## PERFORMANCE GOAL 3: CONDITIONS FOR SOCIAL AND ECONOMIC DEVELOPMENT IMPROVED IN CONFLICT, POSTCONFLICT, AND RAPID TRANSITION COUNTRIES

There has been noticeable improvement in reducing internal conflict worldwide. Some of this improvement results from application of conflict-prevention tools by the international community. Conflict-prevention tools are many—diplomacy, military intervention, and trade and economic sanctions. Among them, development assistance is but one

partner. At issue is the lack of a conflict-prevention strategy. The need for such a strategy has been recognized repeatedly (most recently in the Carnegie Commission Report on Preventing Deadly Conflict), but none has been successfully put into effect. The United States, the UN, and others have undertaken several conflict-prevention initiatives that have



failed, in part for lack of leadership and integration of efforts.

Within the development community, the major identified impediments to working effectively on prevention are

- Lack of a clear understanding of the problem and ambiguous terminology
- Lack of understanding of root causes and how development tools can be most productively applied to the problem
- Inability to assess a society's vulnerability to the breakdown of coop-

eration and the resulting erosion of order early enough to allow the effective use of nonmilitary methods of intervention

- No clear policy statement and definition of roles and responsibilities
- Lack of coherent concept, vision, and management system for prevention
- No culture of prevention
- Unwillingness to take preventive action when national sovereignty cloaks potential genocide

## Performance Table From Fiscal Year 1999 Annual Performance Plan

**Table 6.5. Performance Goal 3: Conditions for Social and Economic Development Improved in Conflict, Postconflict, and Rapid Transition Countries**

*Indicator:* Number of people displaced by open conflict.

*Sources:* U.S. Committee for Refugees, World Refugee Surveys, through 1999.

		APP Baseline(1) 1995	Latest Actual (2) 1998	Target (3) 1999
<b>Agency Level</b>	<b>planned</b>			<b>17,476</b>
	<b>actual</b>	<b>19,875</b>	<b>14,458</b>	
sub-Saharan Africa	planned			7,651
	actual	8,722	4,843	
Asia – Near East	planned			2,615
	actual	3,040	3,197	
Europe – Eurasia	planned			6,286
	actual	6,769	4,008	
Latin America– Caribbean	planned			1,034
	actual	1,344	2,411	

*Note:* Refugees and internally displaced persons are the direct consequence of crisis and conflict. Increases and decreases in their number are a direct indication of changing trends of open conflict. For this performance goal, the Agency is using the country of origin as the basis for determining the baseline for context indicators.

1. Baseline performance is based on the latest 1995 data from the World Refugee Survey 1996. The baseline was adjusted from the fiscal year 1999 baseline to reflect the current USAID-assisted country list and the exclusion of Palestinians as refugees.

2. Total number of displaced persons in 1998 is based on the World Refugee Survey 1999.

3. The 1999 target was derived by using the same percentage reduction reported in the FY99 APP.

- Inflexible implementation because of earmarked resources

This performance goal (see table 6.5) attempts to capture the social and economic conditions of USAID-assisted countries in conflict or postconflict by measuring the number of refugees and persons displaced by internal conflict. Regionally, in fiscal year 1998, five programs in the Asia and Near East Bureau explicitly linked USAID interventions to conflict prevention: **Indonesia**, Mindanao (**the Philippines**), **Sri Lanka**, the **West Bank–Gaza**, and Forward (Fostering the Resolution of Water Resources Disputes). Most of the programs emphasize the economic dimension of conflict prevention and assume that economic growth is an effective means for reducing tensions.

### Performance Analysis

This performance goal provides contextual information for assessing changing trends of open conflict and thus the need for humanitarian assistance in various regions. As noted earlier, it is not a direct measure of USAID performance.

The data source for this performance goal is the U.S. Committee on Refugees' World Refugee Survey. 1998 figures were published in the 1999 edition of that survey.

Figures 6.3a and 6.3b show that the trend in numbers of people displaced by open conflict has decreased since its highest levels in 1992–94. Within USAID-assisted countries, the same trend appears in **sub-Saharan Africa**. The displaced population peaked in 1992.

The major conflicts affecting populations during that year were **Mozambique** and **Somalia**, where displaced persons were estimated at 5 million and 2.8 million, respectively. Those two conflicts, in addition to the 4 million internally displaced persons in **South Africa**, accounted for more than half of the 17 million displaced within current USAID-assisted countries for that year. That number has declined sharply over the past several years. The conflict in Mozambique has been effectively resolved. Somalia's civil war has subsided, but the country still has more than 500,000 displaced persons. The status of South Africa's displaced majority has been erased by the U.S. Committee for Refugees, and the new government continues to enact land reforms. Political violence in the country in 1998 was limited. Reductions have occurred in **Liberia**, **Mali**, and **Namibia**, while the **Democratic Republic of the Congo**, **Eritrea**, and **Rwanda** continue to produce high levels of refugees and displaced persons. **Angola** is still a major concern in 1998, harboring 1.5 million displaced persons.

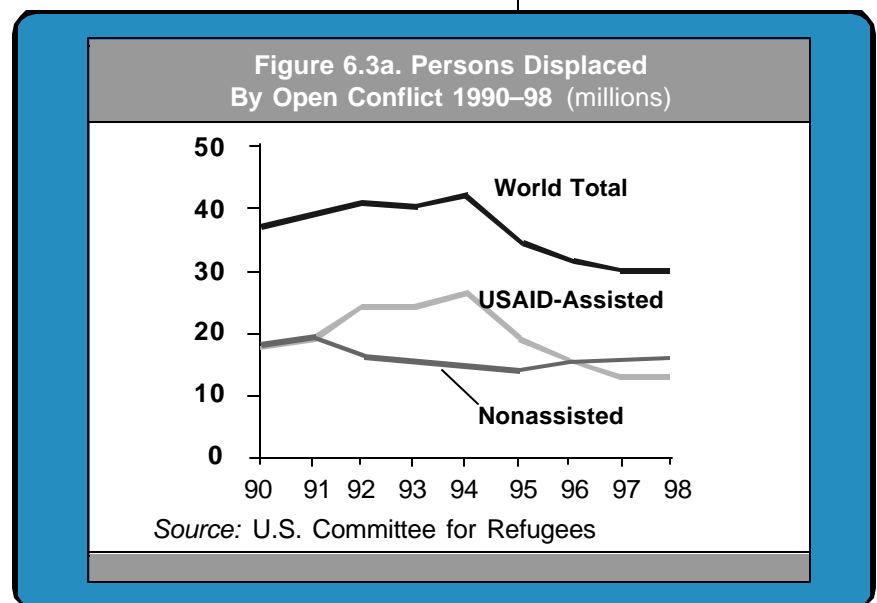


Table 6.5 summarizes the number of displaced people in current USAID-assisted countries. The baseline and target have been adjusted to reflect the current list. For the 1999 target, similar reductions in displaced persons, measured as a percent from the baseline, were recalculated as follows: sub-Saharan Africa, 12 percent; Asia and the Near East, 14 percent; Europe and Eurasia, 7 percent; and Latin America and the Caribbean, 23 percent. (See annex D for the country-level data.)

### Achievement Beyond Fiscal Year 1999 Plan Levels

The trend line for USAID-assisted countries in Asia and the Near East is relatively flat. The ANE estimates for the 1995 baseline in the fiscal year 1999 Annual Performance Plan included 3.3 million Palestinian refugees. Owing to political changes in the status of the West Bank and Gaza, these people are not included in the revised baseline. Decreases in the number of displaced

persons in **Sri Lanka** were not enough to offset increases in **Burma** and **India**.

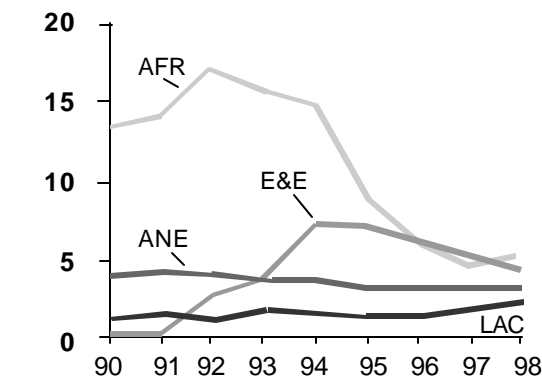
In Europe and Eurasia, the surge in numbers of people displaced by open conflict occurred during 1994–96, directly reflecting the wars in **Bosnia–Herzegovina** and **Chechnya** and the civil conflict in **Tajikistan**. Following the 1995 Dayton Peace Accords, the number of refugees and internally displaced persons declined by 47 percent in Bosnia by fiscal year 1998.

In Latin America and the Caribbean, the latest estimates for 1998 are twice as high as the original 23 percent decline from the FY99 APP. This increase was attributable primarily to **Colombia**'s political violence and human rights abuses. The conflict in Colombia includes the Colombian armed forces, left-wing guerrilla groups, and right-wing paramilitary organizations. Confrontations between these groups increased during 1998, resulting in an estimated 1.4 million displaced persons.

### Planned Actions for Unmet Fiscal Year 1999 Targets

Achievements are not within the Agency's manageable interests.

Figure 6.3b. Persons Displaced By Open Conflict 1990–98 (millions)



Source: U.S. Committee for Refugees

## Revisions to the Fiscal Year 2000 Annual Performance Plan

Performance goal 3 was restated as *conditions for social and economic development and conflict-prone situations improved*. The indicator was changed from *number of people displaced by open conflict* to *number of conflict-prone countries in which conditions improved for social and economic development*.

## Adjustments to Be Included in the Fiscal Year 2001 Annual Performance Plan

No change was made from the fiscal year 2000 Annual Performance Plan.

The most significant issue related to democracy in the Asia and Near East country programs concerns political will. We have learned that, without exception, political will from the top is imperative for reforming national-level institutions such as parliaments and judiciaries.

## PERFORMANCE GOAL 4: POLITICAL RIGHTS AND CIVIL LIBERTIES IN POSTCONFLICT SITUATIONS INCREASED

This performance goal (see table 6.6) relates to postconflict transition countries. Since promoting political, social, and economic freedom is an overarching goal, multifaceted programs emphasizing conflict prevention, mitigation, and postconflict reconstruction and rehabilitation are undertaken. It is not feasible to have indicators that directly measure the diverse programs tailored to the needs and targets of the Annual Performance Plan in each country.

### Performance Analysis

The overall Freedom House Index verifies that significant improvements have been made (but didn't exceed the targets) in three of USAID's four geographic regions. Those gains contribute to the overall enhancement in the score in Agency-assisted postconflict countries.

In sub-Saharan Africa the fiscal year 1998 scores improved in **Sierra Leone** and **Liberia**. The Europe and Eurasia region shows improvement in scores for **Azerbaijan** and **Bosnia-Herzegovina**. In Latin America and the Caribbean, **El Salvador** and

**Nicaragua** had improved scores. (See chapter 2, "Build Sustainable Democracies," for discussion of changes in country scores.)

**Asia and the Near East** reflected no changes in scores from 1995 through 1998 in the countries originally chosen for monitoring. But it should be noted that there are no USAID programs in Iraq and Afghanistan. (See also chapter 2 of this document, on democracy and good governance.)

### Achievement Beyond Fiscal Year 1999 Plan Levels

There is nothing to report.

### Planned Actions for Unmet Fiscal Year 1999 Targets

The most significant issue related to democracy in the **Asia and Near East** country programs concerns political will. We have learned that, without exception, political will from the top is imperative for reforming national-level institutions such as parliaments and judiciaries. The difficulty, however, is in

translating local results upward and into the national policymaking arena. The bureau is attempting to understand this process better. Many ANE democracy and governance programs are restricted to smaller geographic areas or are in fields that do not directly influence political rights or civil liberties, such as NGO capacity building or legislative drafting.

This issue of political will exists in all the Agency's regions. We have proposed *supplementing* the performance goal of Freedom House scores with indicators that reflect the direct effects of our programs. This is particularly important

because desired results in democracy and governance in postconflict countries often are beyond our resource scope and manageable interest. This proposal is reflected in the fiscal year 2001 Annual Performance Plan.

### Revisions to the Fiscal Year 2000 Annual Performance Plan

In the fiscal year 2000 Annual Performance Plan, Heritage Foundation scores were added to the measures used in categorizing and tracking conflict-prone transition countries.

## Performance Table From Fiscal Year 1999 Annual Performance Plan

**Table 6.6. Performance Goal 4: Political Rights and Civil Liberties In Postconflict Situations Increased**

*Indicator:* Change in the number of countries designated *postconflict* that are classified as free/partly free/not free.

*Source:* Freedom House.

		APP Baseline(1) 1995	Latest Actual (2) 1998	Target (3) 1999
<b>Agency Level</b>	<b>planned</b>			<b>2/9/3</b>
	<b>actual</b>	<b>0/7/13</b>	<b>2/9/10</b>	
sub-Saharan Africa	planned			1/4/3
	actual	0/0/7	0/2/5	
Asia – Near East	planned			0/1/4
	actual	0/1/3	0/1/4	
Europe – Eurasia	planned			0/5/0
	actual	0/2/3	0/4/1	
Latin America – Caribbean	planned			1/3/0
	actual	0/4/0	2/2/0	

*Note:* Number sequence above is free/ partly free/ not free.

1. The baseline uses the actual countries tracked (see FY99 list within each regional designation), and the Freedom House scores in this column represent scores from 1995. It was revised from FY99 APP because Freedom House information is not yet available for fiscal year 1999; we cannot report FY99 scores but can show context indications on the FY98 listing from 1998 Freedom House scores.

2. The actuals represent country status for 1998, as expressed in *Freedom in the World, 1998–99*.

3. The 1999 target represents expected performance based on observable trends, over a period ending in 1999 and beginning after the baseline year.

## Adjustments to Be Included in the Fiscal Year 2001 Annual Performance Plan

Heritage Foundation scores are no longer being tracked, though they were initially presented as an indicator in the FY00 Annual Performance Plan, because coverage was not always sufficiently complete to meet Agency needs for this goal. The Freedom House scores are being retained because they present trend data, valuable in assessing

the status of transition countries. However, they do not represent the full programming picture.

The Agency will begin experimenting with supplementing Freedom House scores with indicators and measurement tools currently being used (i.e., the NGO sustainability index). Democracy and governance performance measures being developed at the country level for postconflict and crisis environments (see chapter 2 for a full discussion) will also be useful tools for tracking trends, supplementing the Freedom House reporting.

## Notes

<sup>1</sup>United Nations Office for the Coordination of Humanitarian Affairs; Emergency and Humanitarian Assistance/World Health Organization.

<sup>2</sup>Ibid.

<sup>3</sup>Office of Foreign Disaster Assistance R4, fiscal year 1998 results.

<sup>4</sup>Humanitarian Assistance Goal Review, 1999.

<sup>5</sup>Office of Food for Peace/Emergency Response Division R4, fiscal year 1998 results.

<sup>6</sup>Office of Foreign Disaster Assistance R4, fiscal year 1998 results.

<sup>7</sup>Ibid.

<sup>8</sup>Bureau for Latin America and the Caribbean Highlights, Performance Accomplishments, and Nonperformance Factor Review.

<sup>9</sup>Office of Transition Initiatives R4, fiscal year 1998 results.

<sup>10</sup>Office of Food for Peace/Emergency Response Division R4, fiscal year 1998 results.

<sup>11</sup>Bureau for Africa Program (Goal) Review fiscal year 2001; Office of Food for Peace/Emergency Response Division R4, fiscal year 1998; Office of Foreign Disaster Assistance Results Review, fiscal year 1998.

<sup>12</sup>*The World Disasters Report* 1999.

<sup>13</sup>A note on crude mortality rates: In stable communities, where the population size and the number of deaths are known, the calculation of crude mortality rate is straightforward, and the rate calculated is relatively reliable. But in situations where neither of these variables is available, several other methods are employed, such as monitoring cemetery burials. Collecting crude mortality rate data by using short time periods and small sampling frames may give unreliable results.

<sup>14</sup>Fiscal year 1999 Annual Performance Plan.





# 7

## Strategic Goal 7:

### Keep USAID A Premier Development Agency

## I. Overview

During fiscal year 1999, USAID strengthened its leadership, enhanced its learning capacity, deepened its partnerships, and made progress in increasing the efficiency and effectiveness of its management systems. The Agency revised and streamlined results reporting to make performance information more relevant and useful to decision-making. USAID refocused annual goal reviews to ensure that performance information was fully reflected in the top-level program and budget deliberations. The Agency enhanced the validity and verifiability of performance data by developing explicit data quality standards and incorporating them in expanded training and technical assistance. The Agency assertively partnered with other donors to ensure harmony and coherence in policies and programs, with particular emphases on issues involving trade, poverty, conflict prevention, emergency assistance, and the environment.

USAID also substantially improved processes for the modernization of management and information systems for the 21st century, by instituting more rigorous and systematic planning and implementation of information technology investments. The Agency eliminated material weaknesses in its performance reporting and loan accounting and portfolio management systems. Resources dedicated to acquiring a new accounting system, remedying Y2K, and improving information systems and security achieved significant results.

USAID's fiscal year 1999 Annual Performance Plan not only identified performance goals for the Agency's development programs, but it also

articulated the Agency's management goal of "remaining a premier bilateral development agency." This management goal expressed USAID's commitment to being a leader in development assistance, to pioneering effective solutions to pressing development problems, and to delivering development assistance as efficiently and effectively as possible. In essence, the management goal affirms the Agency's commitment to getting the most value from taxpayer dollars while making the greatest possible difference for development.

The Agency's fiscal year 1999 Annual Performance Plan outlined an initial set of performance goals and indicators for this management objective, shown in box 7.1. But the significance and feasibility of achieving FY99 performance measures proved uneven and, for the most part, did not provide a useful framework for making or measuring progress.

In the Annual Performance Plan for fiscal year 2000, the FY99 performance goals were reorganized and recast. Activities and initiatives previously framed under five performance goals were subsumed under two new performance goals: 1) leadership and learning capacity to achieve results enhanced and 2) management and delivery of development assistance improved. But only one of the FY99 APP performance indicators, percentage of USAID-managed development assistance channeled through strengthened U.S.-based and local nongovernmental organizations, was retained in its original form. The Agency's fiscal year 2001 Annual Performance Plan has built on this

foundation to articulate a larger set of management targets that are clearly and consistently linked to a revised Agency goal of ensuring that “USAID evolves into a model 21st-century international development agency.” The FY01 plan discusses USAID’s Reform “Road Map,” which was developed and disseminated in fiscal year 1999. It includes the kind of specific management

activities and targets that the Office of Management and Budget, the General Accounting Office, and congressional stakeholders have requested. There are three performance goals: 1) leadership and learning, 2) strong partnerships, and 3) improved management systems. The FY01 plan also identifies three higher level “outcome” indicators, adding two new measures of management improvement to the existing indicator on private voluntary organization (PVO) and nongovernmental organization (NGO) assistance. The two new indicators are *number of weaknesses outstanding at the end of the fiscal year* and *percent of audit recommendations closed within one year*. These changes reflect Agency efforts over the past 12 months to more fully implement and incorporate management reforms in the fiscal year 2001 Annual Performance Plan.

The substantial revisions that were made between fiscal year 1999 and today presented the Agency with a dilemma in reporting management progress from the past year. By relying solely on the performance goals and targets from the FY99 plan, we would ignore much we had decided was important. Thus, we organized this chapter into parts. In section II, accomplishments during FY98 and FY99 are described in terms of the new framework of the objectives and activities presented in USAID’s fiscal year 2001 APP. Section IV presents and discusses data on the fiscal year 1999 performance goals and indicators, even though these have now been largely replaced.

### Box 7.1. Fiscal Year 1999 Annual Performance Plan Management Performance Goals and Indicators

**Performance goal 1: Time to deploy effective development and disaster relief resources overseas reduced**

*Indicator a:* Percent of critical positions vacant reduced.  
*Indicator b:* Time to procure development services reduced.

**Performance goal 2: Level of USAID-managed development assistance channeled through strengthened nongovernmental and private voluntary organizations increased**

*Indicator:* Percentage of USAID-managed development assistance channeled through strengthened U.S.-based and local nongovernmental organizations.

**Performance goal 3: Coordination among U.S. government agencies contributing to sustainable development increased**

*Indicator a:* Statements at the objective level across strategic plans of U.S. government agencies concerned with sustainable development consistent.  
*Indicator b:* Coordination of activities at the USAID program approach level across U.S. government agencies concerned with sustainable development enhanced.

**Performance goal 4: Organization for European Cooperation and Development agenda of agreed development priorities expanded**

*Indicator a:* Resource flows by major development goals.  
*Indicator b:* OECD/Development Assistance agreement on strategies to reduce poverty.

**Performance goal 5: Capacity to report results and allocate resources on the basis of performance improved**

*Indicator a:* Access to financial information.  
*Indicator b:* Access to program results information.

## II. Management Initiatives

### ***Performance Goal 7.1: Leadership and Learning Capacity to Achieve Results Strengthened***

The developing world presents a complicated and ever-changing array of problems and opportunities. To remain a premier development agency, USAID must comprehend the shifting currents of development to apply innovative and effective approaches to achieve the best results possible. To manage for results successfully, the Agency must also effectively monitor and evaluate the performance of its programs and learn from experience. And USAID must communicate, share, and apply the knowledge gained to influence the entire development community.

### **Reform Road Map Developed and Implemented**

USAID surveyed staff and partners extensively in fiscal year 1998 to identify factors hindering full implementation of management reforms approved in 1995. After top managers decided it was essential to aggressively address obstacles to improving management, the Agency in FY99 developed a Reform Road Map that identified the actions that needed to be taken, by whom, and by when to create an agency that managed effectively for results.

To oversee implementation of the Reform Road Map, the USAID Administrator formed a change management group, co-chaired by the assistant

administrator for policy and the assistant administrator for management. This group, in turn, created an operations governance team charged with identifying Agency policies and procedures that needed fixing and the USAID staff capable of fixing them. The Reform Road Map (summarized in annex A) articulates important activities, indicators, and targets for the management improvement activities reported in this chapter.

### **Annual Goal Area Performance Reviews Strengthened**

During fiscal year 1999, USAID significantly expanded the scale and scope of its annual goal area reviews and more fully integrated the reviews into its program and policy decision-making. The previous year, goal reviews had been prepared primarily by and for the Bureau for Policy and Program Coordination, which shared a memo summarizing findings with the other bureaus. In FY99, however, the goal reviews mobilized Agencywide teams (led by the PPC Bureau). Results for each goal area were formally presented to and discussed by Agency managers. The PPC Bureau briefed USAID senior staff on the most meaningful findings from the goal reviews. Those findings were reflected in top-level policy and budget deliberations and in plans for future evaluations and analyses. In sum, in fiscal year 1999, Agency participation in and exposure to the reviews expanded vastly, and the reviews had much greater influence on Agency decision-making.

The fiscal year 1999 goal reviews also paid special attention to crosscutting

**To remain a premier development agency, USAID must comprehend the shifting currents of development to apply innovative and effective approaches to achieve the best results possible. To manage for results successfully, the Agency must also effectively monitor and evaluate the performance of its programs and learn from experience. And USAID must communicate, share, and apply the knowledge gained to influence the entire development community.**

**USAID programs that emphasized supporting policy reform, institutional strengthening, and other broad systemic changes achieved better results than programs concerned with delivering services or transferring resources to specific groups.**

issues and identified synergies across goal areas that bore heavily on results. Two of the most significant such issues were the role of women in development and the importance of collaborating and participating with customers and partners.

Since the mid-1970s, USAID has been a leader among development agencies in promoting women's issues in social and economic programs. In 1996, the Agency reaffirmed this commitment through the Gender Plan of Action, which laid out a series of concrete steps to institutionalize mechanisms for treating gender issues. By the end of fiscal year 1999, USAID had completed nearly all actions required by the plan, including implementing a Women in Development fellows program and incorporating a requirement that all grants stipulate how gender issues will be addressed. In addition to its efforts to incorporate gender considerations in all mission activities, USAID has taken a leadership role in this area at the national level through the President's Interagency Council on Women and internationally through the Development Assistance Committee Working Party on Gender Equality.

In general, this year's goal area reviews placed considerably more emphasis on factors affecting performance, concentrating on information that was most important and useful to managing for results. Some findings from the FY99 reviews had substantial implications for program management. One of the most striking common themes was the importance of recipient-country policies and institutions on program performance. This was manifest in two respects. First, aid programs tended to achieve greater results in countries making serious self-help efforts in policy

reform and institution building, pointing to the importance of greater *selectivity* in the allocation of aid across countries. Second, USAID programs that emphasized supporting policy reform, institutional strengthening, and other broad systemic changes achieved better results than programs concerned with delivering services or transferring resources to specific groups. Both findings fit well with the emerging literature on aid effectiveness.

The goal reviews also revealed the continuing tension between centralization and decentralization within the Agency itself. While regional and cross-border programs are growing, and while USAID addresses global issues and strives to achieve global progress, most development problems still pertain to individual countries. They are, after all, where programs are implemented, where progress occurs, and where policies and institutions are manifest. The tension between global goals and country programming also was reflected in concerns about the extent to which Agency performance goals and country strategic objectives are within our realistic manageable interests and whether, with declining resources, USAID's programs are being spread too thin.

## **Performance Data Quality And Availability Enhanced**

During fiscal year 1999, USAID continued working energetically to improve the quality and availability of performance data within and beyond the Agency. Some important accomplishments were

- Agencywide training on "managing for results"

- Implementation of performance-measurement workshops for field staff and partners
- Expansion of technical assistance on performance measurement for missions and offices
- The technical analysis of performance-data quality and coverage
- The selective review of operating-unit performance reports and monitoring plans
- Creation of a Web-accessible database of performance information for every USAID operating unit
- Development and dissemination of standards on performance data and indicator quality (*Performance Monitoring & Evaluation Tips No. 12*)

To manage for results rather than simply for reporting results, and in response to staff and partner feedback about Agency reforms, USAID in fiscal year 1999 streamlined mission and office reporting requirements. This better served management's information needs. More specifically, USAID/Washington encouraged operating units to eliminate irrelevant indicators, to focus reporting on the indicators most pertinent to decision-making (regardless of the level of results involved), and to identify the indicators expected to be most relevant next year. Reflecting this guidance, the average number of indicators reported for each operating unit strategic objective dropped from 9.0 in fiscal year 1997 to 4.4 in FY98. The percentage of missions and bureaus reporting data at the level of strategic objectives (end outcomes, in Government Performance and Results Act

terms) also dropped in FY98 (from 64 percent to 49 percent). This reflected that more missions were reporting data on intermediate results that were more directly related to their programs. These data generally proved more relevant for assessing performance and more useful to Agency decision-makers.

Other important results of USAID's efforts to improve the quality (validity and verifiability) and availability of USAID's performance data are discussed later in the chapter.

### **Capacity to Measure Performance Strengthened**

The percentage of operating-unit strategic objectives for which performance data were reported rose substantially from 64 percent in fiscal year 1997 to 87 percent in FY98. It remained at about the same high level (84 percent) in FY99. Missions and offices have now developed the capacity to measure performance. In general, they have at least one indicator for each strategic objective with a baseline, a target, and actual data. Having actual performance data for 84 percent of strategic objectives is above the target of 80 percent set last year.

A review of the data by Agency goal indicates that performance data were most difficult to obtain in the areas of democracy and governance (reflecting the complexity of concepts and measures) and humanitarian assistance (reflecting the emphasis on delivering emergency assistance, rather than on measuring impact). We will place more attention on developing better indicators and data in both of these areas over the coming year.<sup>1</sup>



## **Data Quality: Comparability Over Time**

Seventy-nine percent of the strategic objectives for which operating units reported data in fiscal year 1998 had comparable data reported the previous year. This level of consistency in reporting provided a meaningful basis for year-to-year comparisons of strategic-objective progress and for trend analyses.<sup>2</sup>

## **Data Quality: Improved Reliability and Validity**

During fiscal years 1998 and 1999, the Office of the Inspector General (OIG) audited the quality of the results data reported by 18 USAID operating units and found room for improvement.<sup>3</sup> While the Agency believes that some of the criteria applied in this audit were overly rigid and that many of the quality problems identified were relatively minor, USAID strongly agreed with the OIG about the importance of having valid and reliable performance data. USAID management and the OIG are now working more closely to develop a shared understanding of the level of data “accuracy,” “completeness,” “validity,” and “support” that is acceptable and feasible. The Agency also moved quickly to develop and disseminate an initial set of USAID standards on indicator and data quality early in fiscal year 1999.<sup>4</sup>

## **Data Quality: Gender Differences**

For USAID to carry out its commitment to address gender issues in development programs and to improve the status of

women, Agency policy requires that certain performance indicators be disaggregated to reflect differences in results for men and women whenever feasible and relevant. Though many of the current Agencywide development context indicators are not amenable to such sex-disaggregation, we will consider the need to document results for women compared with men as we reconfigure indicators in the future. At the mission level, the extent to which performance data are gender disaggregated varies considerably across missions, depending on both the amount of attention given to gender in programming and the content of the program. In fiscal year 1999, when R4<sup>5</sup> guidance did not specifically reiterate the desirability of reporting gender-disaggregated results, the number of missions including such data dropped. Therefore, the R4 guidance for 2000 specifically requests reporting on gender.

## **Performance Data More Widely Available and Used**

During fiscal year 1998, USAID established an initial database of operating-unit performance information that Agency management used to assess information quality and to prepare the Annual Performance Report. In FY99, USAID not only established a similar database of operating-unit performance indicators, strategies, and R4 narratives, but we also made that data and other performance information accessible on the Internet for both Agency staff and external audiences.

The information has proven high in demand. In July 1999 (the first month these data were available), there were nearly 100,000 “hits” accessing this

performance information from the USAID Web site. External users downloaded more than a thousand copies of the Agency's fiscal year 1999 Annual Performance Plan and nearly a thousand copies of chapters from USAID's FY98 Annual Performance Report during August 1999, the first full month these documents were available electronically.

## Capacity to Learn From Experience Strengthened

While well-chosen performance indicators can signal whether programs are doing well or poorly, they rarely provide a sufficient basis for definitive performance judgements. Even more rarely do they indicate clearly what should be done. Managing for results requires not just performance measurement; it also requires learning from experience through research and evaluation. That includes research and evaluation conducted by USAID *and* by outside organizations such as the Office of the Inspector General, the General Accounting Office, and other donors and partners. Although recent staff reductions have reduced the number of studies the Agency conducts, USAID has more effectively targeted its evaluations and research at the most important and actionable development issues, as described in the next two sections.

## USAID's Operational-Level Evaluations

Each year, USAID's missions and offices (the Agency's operating units) conduct hundreds of formal and informal evaluations. Most are intended to inform the design, implementation,

planning, or decision-making about particular activities. Findings from the evaluations are reported in each operating unit's R4 and in specific evaluation documents. The findings are a major input into the Agency's goal reviews.

Copies of operating-unit evaluations are added to USAID's institutional memory, the development information system. During fiscal year 1999, about 325 evaluations completed in FY98 (200) and FY99 (125) were added. Once evaluations are abstracted and scanned into USAID's institutional memory, they can be easily located, accessed, and searched electronically to inform planning and decision-making throughout the Agency and beyond. Indeed, in fiscal year 1998, USAID responded to more than 150,000 requests for information and documents from its institutional memory. More than 40,000 of these requests come from USAID staff and contractors applying the lessons learned from evaluations to plan and design new programs. Operational-level evaluations are also analyzed as part of larger, Agencywide policy and evaluation studies, as cited throughout this Agency performance report.

## USAID's Central Evaluations

The Agency's central evaluations examine the effectiveness of activities in achieving results across country settings and goal areas. They explore alternative approaches to achieving results in new or controversial program areas. Lessons learned are disseminated to senior managers, technical staff, partners, and the wider public. Such evaluations often have a substantial effect on Agency policies, strategies, programs, and budgets.

**In fiscal year 1998, USAID responded to more than 150,000 requests for information and documents from its institutional memory. More than 40,000 of these requests come from USAID staff and contractors applying the lessons learned from evaluations to plan and design new programs.**

Each year, USAID develops an agenda of evaluation topics that reflects the most significant issues emerging from the Agency's annual goal reviews and from broader consultations with USAID managers, technical staff, and external audiences. Evaluations fully or substantially completed in fiscal year 1999 include

- Effectiveness of USAID's efforts to strengthen capital markets
- Effectiveness of enterprise funds
- Effectiveness of girls' education activities
- Effectiveness of activities combining democracy objectives with other goals
- Effectiveness of programs for women in postconflict societies
- Effectiveness of programs supporting democratic decentralization
- Impact of donor assistance in complex emergencies
- Review of the use of evaluation by operating units since reengineering
- Effectiveness of programs promoting postconflict reconciliation
- Impact of food aid on development
- Study of USAID's experience with countries graduating from assistance
- Review of donor experience with joint and collaborative evaluation

- Analysis of "gaining ground," assessing health, economic, and social trends in developing countries between 1950 and 1995
- Analysis of assistance allocations against country policy environments
- Analysis of the factors affecting country aid allocation
- Analysis of program performance in preparing the Agency Performance Report

Agency program evaluations contribute to development knowledge and address specific questions or issues about programs across countries. Individual country studies generally culminate in a final synthesis. Findings are further disseminated through presentations at appropriate forums within the development community. For example, the June 1999 paper *More, But Not Yet Better: USAID's Programs and Policies to Improve Girls' Education* (USAID Evaluation Highlights No. 64) culminated a series of studies on girls' education, including five country studies conducted in 1998 and 1999. It was presented in Washington to an audience of technical professionals representing the donor and private voluntary organization communities. *Promoting Democracy in Postconflict Societies: An International Dialog* (Conference Report No. 1, March 1999) was presented at an international conference of development donors and partners. That volume synthesizes findings from several country-program evaluations completed in fiscal years 1998 and 1999 on "Rebuilding Societies Emerging from Conflict" and on "Electoral Assistance to Postconflict Societies."

The specific implications of these and other studies for policy, program, and budget decision-making have been cited, where appropriate, throughout this report. Summaries of the findings from evaluations completed in fiscal year 1999 are provided in annex C.

## **Office of the Inspector General Evaluations And Reports**

The Office of the Inspector General summarizes its most significant audit findings in periodic letters to Congress that detail “the most serious management problems facing USAID.” For example, in a letter of 22 February 1999, the USAID inspector general identified five major management challenges facing the Agency: results reporting, financial management, information resources management, human resources capabilities, and the breadth of USAID’s program management mandate. The Agency agrees that these are major challenges. We are actively addressing them, as discussed in appropriate sections of this chapter.

USAID uses the audit process to help identify problems and assess progress toward results-based management. The Agency and the inspector general’s office jointly manage an audit follow-up system used to monitor corrective action when problems are identified.

One measure of the timeliness of the Agency’s response to the inspector general’s recommendations is the portion of them to which management responds with a decision within six months after the OIG report is issued. Another useful measure is the number

of recommendations that remain “open” (not finally resolved) for more than a year after the management decision is made. At the end of fiscal year 1999, for example, 12 percent of the outstanding recommendations were more than six months old without management having made a decision on them; also, more than a year had passed on 14 percent of the recommendations without final action having been taken. USAID has used these indicators to define formal performance goals and targets in the fiscal year 2001 Performance Plan.

The goals for improving USAID effectiveness and efficiency identified in the Office of the Inspector General’s five-year plan for fiscal years 1998–2002 match many of the Agency’s own management objectives. For instance, USAID is working with the inspector general’s office to develop mutually agreed-upon indicators that would enhance the utility of performance data for both organizations.

## **General Accounting Office Evaluations and Reports**

The General Accounting Office recently identified three management challenges for USAID that correspond with three of the problem areas the inspector general’s office identified: 1) information management, 2) the Y2K problem, and 3) financial management.<sup>6</sup> As described elsewhere in this chapter, USAID is moving assertively toward better financial and performance-based accountability. The General Accounting Office will continue to help monitor our progress toward those objectives.

**The goals for improving USAID effectiveness and efficiency identified in the Office of the Inspector General’s five-year plan for fiscal years 1998–2002 match many of the Agency’s own management objectives.**

## ***Performance Goal 7.2: Partnering Strengthened***

USAID's long history of founding and nurturing partnerships serves the Agency well as it develops the ever more complex, innovative, and forward-looking relationships on which success in the 21st century will rest. Indeed, each of the previous chapters of this report identifies (in a chart or narrative) other donors in each goal area with whom we coordinate and collaborate at the country and regional levels. This section assesses how we have strengthened such relationships for the Agency as a whole. Having established healthy partnerships with a vast array of institutions, donors, developing countries, businesses, and civil society organizations, USAID is poised to meet future challenges.

### **Greater Donor Consensus**

USAID has sought consensus on mutual approaches that reinforce and strengthen the common donor effort and direct assistance toward the biggest development problems.

The Agency has continued working energetically to achieve greater donor consensus through the TransAtlantic Dialog, the Organization for Economic Cooperation and Development's (OECD's) Development Assistance Committee, and other bilateral and multilateral forums. During fiscal year 1999, USAID emphasized the development of shared approaches to globalization (the diminishing significance of national boundaries because of increased cross-border trade, improved communications, more numerous joint ventures, increased travel, and freer movement of capital). Clearly, increas-

ing globalization has rendered several factors particularly relevant of late. For example, development assistance now represents only a small proportion of overall financial flows to the developing world. This means that forces and institutions beyond the foreign assistance realm must contribute to achieving development goals, if those goals are to be realized.

Efforts to deal with globalization also have underscored mechanical impediments to partnership at the field level. Although donors and their host-country partners need more than ever before to work closely together, a morass of bureaucratic and legal inconsistencies emerge each time they try. Two aspects of this that require urgent attention are the harmony of donor program practices and procedures and the standardization of packaging and other commercial requirements apply specifically to nutrition and health.

The Common Agenda with Japan continues to be one of USAID's most effective bilateral partnerships. Begun in 1993, the agenda seeks to increase the effectiveness of U.S. and Japanese assistance in population and health by increasing consultation and cooperation in planning, implementing, and evaluating programs and projects at the global and mission levels. Areas of emphasis include

- Population and HIV/AIDS
- Women in Development (education and microenterprise)
- Children's Health (centering on childhood immunization programs)
- Emerging and Reemerging Infectious Diseases

Partnerships with U.S. foundations are also playing an increasingly prominent role in USAID's work. Key partners for USAID include the Packard Foundation (which works primarily on reproductive health and family planning), the Gates Foundation (whose ever-expanding portfolio includes reproductive health and child survival), the UN Foundation (which supports United Nations agencies such as the World Health Organization), and the Soros Foundation (which has been particularly active in the newly independent states of central Europe and Eurasia). Although foundations traditionally operate independently, USAID during fiscal year 1999 continued interacting with these and other foundations at both the policy and program level, providing technical assistance and leveraging resources for its many nongovernmental organization partners.

In the population, health, and nutrition (PHN) goal area, USAID also has actively collaborated with development agencies such as the United Kingdom's Department for International Development on reproductive health and malaria prevention and the Swedish International Development Cooperation Agency on strengthening research capacity. Bilateral coordination of PHN programs in the field continued to increase during the past fiscal year, with most missions working to implement mechanisms that facilitate parallel funding and joint programming.

USAID has also collaborated closely on PHN programs with multilateral donors such as the World Health Organization, UNICEF, UNAIDS, the European Community, and the World Bank. As a result, USAID has influenced those donors' programming and, through

coordinating mechanisms at the country level, fostered policy and program donor coherence. In particular, USAID and the European Community have agreed to collaborate in seven areas within reproductive health and in child survival and infectious diseases. The Agency and the EC are jointly developing some activities to be carried out at the country level and others at the global level.

Another area of coordination where USAID has been both an intellectual leader and the preeminent donor is conflict resolution and prevention. While other donors have often resisted acknowledging the links between issues of peace and conflict and development, USAID worked closely with them during fiscal year 1999 to further their understanding of this essential connection.

The Agency has also made a major contribution to the donor community this past year by developing indicators for democracy, good governance, civil society, political process, and rule of law. These indicators are designed to measure what USAID missions are accomplishing and then to aggregate results to assess what the Agency as a whole is accomplishing. During fiscal year 1999, USAID presented this approach—a breakthrough in donor practices—to members of the Development Assistance Committee's Informal Network on Participatory Democracy and Good Governance. The reaction was enthusiastic. Currently, USAID and the German development agency (Gesellschaft für Technische Zusammenarbeit, or GTZ) are cosponsoring a democracy workshop that will include donors and participants from other developing countries. We foresee other such partnerships in the future.

**The Agency has made a major contribution to the donor community this past year by developing indicators for democracy, good governance, civil society, political process, and rule of law.**



During FY99, USAID also served as a prominent member of the OECD/Development Assistance Committee's Informal Network on Poverty Reduction. Specifically, the Agency funded U.S. analysts who worked with British and German colleagues in drafting the scope of work for the network's activities for the next two years. In so doing, USAID ensured that poverty and food insecurity issues remained linked. This in turn enhanced coherence among donor policies developed in response to the World Food Summit and the Development Assistance Committee's 21st-century targets. In collaboration with the United Kingdom and with support from France, USAID's leadership and technical expertise also ensured successful integration of gender issues into the Development Assistance Committee's poverty work. The Agency continues to lead the DAC Informal Network on Poverty Reduction's gender-mainstreaming effort. These contributions are critical, because the DAC is viewed in the development community both as the leader in current thought on poverty reduction and as the forum in which consensus views on poverty reduction issues are most highly regarded.

### **Host-Country Ownership**

USAID has actively promoted host-country ownership of development strategies.

The Agency has long been a leader in developing and using many different approaches to fostering local participation. One area in which USAID has particularly excelled: promoting host-country ownership outside the bilateral context. The Agency pioneered the New Partnerships Initiative, which works on policy at the national level and connec-

tions among government, business, and civil society at the local level. The initiative was one of the primary inspirations for the World Bank's Comprehensive Development Framework, issued in 1999. It also resonates with the Development Assistance Committee's strategy for *Shaping the 21st Century* and with the United Nations' new interagency framework.

In 1999, USAID also published *Partnering for Results: A User's Guide to Intersectoral Partnering*. This handy compendium helps development professionals, government officials, and host-country citizens employ new mechanisms to expand local ownership, increase the import of development assistance, and energize new partnerships across diverse sectors. Such partnerships have good prospects for success because they mobilize a wider base of resources and support. They generate greater commitment by increasing participation in defining solutions to development problems. The document was distributed to all mission directors, bureau managers, and other staff. The corresponding Web site is used heavily within and without the Agency.

USAID has a particularly successful history of partnering with NGOs in carrying out population, health, and nutrition activities at the community level—an approach that has promoted local ownership and has been critical for ensuring long-term sustainability for child-survival and family-planning programs. USAID's Population, Health, and Nutrition Center has partnered effectively with developing country institutions for applied and operations research. A few of these partners: the International Center for Diarrheal Disease Research in **Bangladesh**, the

Nogouchi Research Institute in **Ghana**, and the National Institute for Public Health in **Mexico**.

## 21st Century Strategy

The Agency has continued working with donors and host countries to implement the Development Assistance Committee's Shaping the 21st Century strategy.

The Development Assistance Committee's 21st-century strategy provides an important source of support for USAID's view—now widely adopted by the donor community—that successful development entails the integral involvement of host countries and their peoples in planning, implementing, and evaluating donor programs. The DAC strategy rests on the notion that donors share a common vision and can work together to realize that vision in the field. During fiscal year 1999, for example, USAID, GTZ, the World Bank, the UN Development Program, and other bilateral development agencies worked collaboratively with the government of **Bolivia** to strengthen programs in the justice sector. The lessons learned from this innovative partnership will be discussed at an Organization for Economic Cooperation and Development session during FY00. The Agency is also striving to integrate 21st-century strategy concepts into its work with the European Commission, the G-8 process, the World Bank Development Committee, and in the Administrator's bilateral meetings.

USAID's fiscal year 1999 Annual Performance Plan specifically targeted raising the OECD/DAC's agenda from a medium- to a medium-high-level priority. Though the U.S. remains a stalwart supporter of the DAC strategy, this target would have been formidable

in even the most favorable circumstances. After the United States lost the chair of the Development Assistance Committee to France (officially in February 1999, but in fact some months earlier), USAID's prospects for moving the agenda rapidly forward declined precipitously. As a result, this FY99 performance goal was never fully put into effect and was dropped from the Agency's fiscal year 2001 Performance Plan.

### ***Performance Goal 7.3: Management Support Systems Strengthened***

USAID has made substantial progress in building management systems and procedures needed for the Agency to deliver the best possible development results. Improvements in financial management, information management, human resources management, administrative services, and grant and contract services have enhanced accountability and moved USAID closer to full compliance with statutory requirements aimed at more efficient and effective performance.

### **Strengthened Information Management**

The Agency has followed through on an information strategy to better support its business and comply with the Clinger-Cohen Act and the Government Performance and Results Act. We have developed a draft Information Management Strategic Plan for fiscal years 2001 through 2005. The plan defines USAID's approach for implementing an integrated information technology architecture that will guide preparation, evaluation, and selection of information-technology investments.

**The Development Assistance Committee's 21st-century strategy provides an important source of support for USAID's view—now widely adopted by the donor community—that successful development entails the integral involvement of host countries and their peoples in planning, implementing, and evaluating donor programs.**

**The Information Management Strategic Plan for fiscal years 2001 through 2005 will define the approach to implementing an integrated framework for acquiring and maintaining information technology that achieves USAID's goals.**

## **Year 2000 Compliance**

The highest priority information management activity during 1999 has been completing Year 2000 compliance work for USAID mission-critical systems. By September 1999, six of the seven critical systems were compliant. The last mission critical application, the New Management System, was renovated in May 1999, and validation and implementation were completed by November 1999. Agencywide Y2K workstation upgrades were completed under budget.

The Agency conducted 49 host-country assessments of Y2K readiness this past fiscal year. The assessments examined program-related information systems and levels of Y2K preparedness in critical sectors such as power, telecommunications, and transportation. We shared information from the studies with the foreign affairs community through an interagency group led by the State Department. USAID has an initiative in progress to share, through its missions and programs, standard tools that combine the common elements of Y2K contingency planning and repair strategies.

A Y2K business continuity and contingency plan was developed to cover the Agency's core business processes. It concentrates on the financial processes that support Washington and overseas field offices. At our field sites, USAID worked closely with the State Department, which has the lead in preparing local contingency plans for U.S. government agencies at each post.

## **Information Resources Management Processes**

The chief information officer and the Capital Investment Review Board reviewed, selected, and evaluated information-technology investments (including Y2K investments) during the past fiscal year. In FY99, the Agency completed the definition of IT systems and infrastructure required to support USAID strategic objectives.

The Information Management Strategic Plan for fiscal years 2001 through 2005 (expected for approval early in 2000) will define the approach to implementing an integrated framework for acquiring and maintaining information technology that achieves USAID's goals. This framework will guide preparation, evaluation, and selection of information technology investments. USAID completed a review of the current situation during FY99 and will establish targets early in FY00. Developing the architecture, however, is an iterative and dynamic process that will continue evolving as the Agency's business processes evolve.

## **New Management System**

The Agency's New Management System was designed to integrate information resources for budgeting, procurement, financial management, and program operations. Since its deployment in 1996, significant system performance problems have impaired the Agency's program and resource management capability. In fiscal year 1999, USAID continued its efforts to overcome system weaknesses and improve system functionality while simultaneously developing more effective replacements that rely primarily on

commercial off-the-shelf software and cross-servicing agreements.

All investments in the New Management System were overseen by the Agency's Capital Investment Review Board (CIRB) and by the CIRB's subcommittee, the NMS executive team. Since Y2K received top priority in all investment decisions, most NMS functional upgrades were tabled in deference to Y2K compliance upgrades.

The Agency instituted rigorous configuration management processes on the New Management System software. The error rate of software releases has dropped dramatically, and fiscal year 1999 year-end closing within NMS was performed with minimal unnecessary downtime—a significant improvement from previous closings. These practices are currently being applied to the Y2K compliance effort and will enable the Agency to achieve full compliance with a tested and verifiable level of confidence.

## **Overseas Mission Connectivity**

The Agency is examining different satellite network schemes to support smaller missions and regionalize services. As a first step, USAID offices in Europe, Japan, and Namibia were linked to USAID's intranet via local commercial Internet services. We installed Very Small Aperture Terminals at five of our smaller missions and examined new firewall technologies for missions relying on the Internet for connectivity.

## **Information Security**

USAID developed an information-system-security program plan that

outlines plans for bringing the Agency into full compliance with the Computer Security Act and Office of Management and Budget guidance by fiscal year 2003. The plan directly addresses information security concerns, drawing on knowledge and resources from other federal agencies and private information security initiatives. A program to implement best practices has been recognized by the chief-information officer community and the Office of the Inspector General for its quality and effectiveness.

## **Improved Procurement Assistance and Acquisition**

Greater teamwork between contracting personnel and technical staff led to better and earlier procurement planning. Joint efforts helped eliminate many routine obligation obstacles. The availability of expanded training courses, for both procurement and nonprocurement professionals, helped improve staff knowledge of acquisitions and assistance requirements.

Forty-two competitive procurements were completed for Washington offices during the fiscal year 1998 procurement cycle. The average timeframe of these procurements was 192 days. The actual timeline ranged from 69 to 510 days, with only 3 of the 42 exceeding one year.

More than 360 procurement personnel attended 24 acquisition and assistance certification courses during fiscal year 1999. These courses were held at seven overseas missions and in Washington. Attendees included contracting officers, executive officers, and foreign service national staff of both professions. The

**During fiscal year 1999 the Agency completed detailed requirements analysis and acquired a commercial off-the-shelf core accounting system that will serve as the cornerstone of our business systems and modernization program. The current plan is to launch the new system in Washington during FY00 and to implement the system in field offices during 2001 and 2002.**

Agency was expecting to certify all of its contracting officers by the end of December 1999.

A significant portion of the training for nonprocurement personnel was provided as part of the in-house Reaching for Results course. About 14 courses were held, and 500 professionals (including activity managers and cognizant technical officers) received training. Additionally, about 185 activity managers and cognizant technical officers underwent training related to grants management and performance-based contracting through commercial vendors.

### **Improved Financial Management**

USAID continued to execute its strategy for an integrated financial management program that will support operational efficiency and data integrity. A chief financial officer was appointed in February 1999, and a central program management office was established under the direction of that officer to oversee business planning, acquisition planning, and systems implementation of an integrated financial systems program. The chief financial officer will be responsible for integrating modernization of those financial and mixed-financial systems included within the guidance of OMB Circular A-127.

During FY99 the Agency completed detailed requirements analysis and acquired a commercial off-the-shelf core accounting system that will serve as the cornerstone of our business systems and modernization program. The requirements conform with the standards and guidelines prescribed by the Office of Management and Budget. The current plan is to launch the new

system in Washington during fiscal year 2000 and to implement the system in field offices during 2001 and 2002.

USAID's Modernization Plan for Integrated Financial Management Systems will ensure that the Agency implements a financial management system to support our global mission. The plan lists priorities for replacing the Agency's remaining major financial support systems over the next five years (such as budget, procurement, human resources, property management, and performance management). Detailed plans are provided for systems identified for execution in fiscal years 2000 and 2001. USAID will execute each of these in close coordination with the chief information officer, using methodologies established by the CIO.

The chief financial and chief information officers are working closely with the Office of the Inspector General to improve the quality of financial information. The inspector general does not expect to render an opinion on the fiscal year 1999 financial statements. The chief financial officer and OIG agreed on a plan to focus audit resources on data-quality problems during the fiscal year 1999 audit. This will increase the likelihood that the inspector general's office can express an opinion on the fiscal year 2000 consolidated financial statements.

USAID completed actions in FY99 that establish an effective system of checks and balances for its direct loan program. The loan servicing function was outsourced to Riggs National Bank. The Office of Management and Budget certified the Agency to manage the Development Credit Authority. Most significantly, this enabled USAID to eliminate its loan systems from the list of Agency material weaknesses.



## **Strengthened Administrative Management**

With the relocation of USAID headquarters staff to the Ronald Reagan Building complete, the Agency placed greater emphasis on achieving operational efficiencies both in Washington and overseas.

USAID has taken the lead among U.S. government agencies in providing services in several countries as a part of the International Cooperative Administrative Support Service. The Agency is currently providing administrative support services in two missions. Beginning in fiscal year 2000, we expect to offer administrative support services in nearly a dozen more.

In 1999, the Agency identified 10 of its overseas properties that cannot be occupied and will be liquidated. Once these properties are sold, we plan to construct new properties that would eliminate expensive annual rental fees.

## **Strengthened Human Resources Management**

The Agency undertook several initiatives to ensure that there is adequate staff with appropriate skills to fulfill its mandate. An intensive position review effort helped reshape the workforce to reinforce financial, managerial, and technical accountability for USAID-managed resources.

The Agency's management council, functioning as the approval authority for all outside hires, made sure that only positions representing a long-term need were filled. Additionally, an annual foreign service recruitment plan was

developed and approved that reflects the Agency's personnel needs. In fiscal year 1999, USAID filled 100 percent of its overseas positions prioritized and identified as critical.

Building staff knowledge and skills is critical for effective management and oversight of Agency resources. While USAID has reduced its staff by 35 percent since 1993, it strives to maintain its staffs' technical skills. The Agency has shifted to competency-based training for both existing staff and new entrants. We have developed a series of new staff training programs. These new courses are on teamwork, leadership, senior leadership, managing for results, and organization and operations. New mission directors attended an orientation program tailored to expose them to critical management issues the Agency faces.

Technical training was also provided in a variety of fields. Procurement training included contract law, contract administration, procurement management certification, and simplified acquisitions and grants management. Other technical training included language training, computer training, and training to keep staff current in technical specialties such as environment, economic growth, health and population, democracy and governance, and human capacity development.

We also developed a new-entrant training program. Beginning in October 1999, new entrants began completing relevant training before starting their first overseas assignment. Upon completing training, their knowledge will be assessed to ensure they possess the requisite primary technical skills, managerial skills, and interpersonal skills.



### III. Performance by Fiscal Year 1999 Annual Performance Plan

#### PERFORMANCE GOAL 1: TIME TO DEPLOY EFFECTIVE DEVELOPMENT AND DISASTER RELIEF RESOURCES OVERSEAS REDUCED

##### Performance Analysis

The fiscal year 1999 performance targets for “critical positions filled” and “procurements completed” (see table 7.1) proved of limited value in measuring performance toward the broader goal of more efficient and effective resource deployment.

##### Achievement Beyond Fiscal Year 1999 Plan

Both FY99 targets were exceeded.

##### Planned Actions for Unmet Fiscal Year 1999 Targets

This is not applicable.

#### Performance Table From Fiscal Year 1999 Annual Performance Plan

**Table 7.1. Performance Goal 1: Time to Deploy Effective Development  
And Disaster Relief Resources Overseas Reduced**

*Indicators:* a) Percent of critical positions vacant reduced; b) Time to procure development services reduced.

*Sources:* Annual assessment of critical positions; direct-hire workforce assessment reports; and New Management System.

	Revised Baseline	Latest Actuals	Fiscal Year 1999 APP Target
<b>Vacant critical positions filled</b>	n/a	100%	90%
<b>FY99 procurements completed in 12 months or less</b>	n/a	93%	90%

*Note:* Critical positions are defined as those necessary to ensure full and complete financial, managerial, and technical accountability for USAID/Washington-managed resources. A profile of critical positions will be established in fiscal year 2000.

Procurement includes those actions through which USAID/Washington acquired the goods and services necessary to deliver its assistance. A 12-month procurement cycle will represent a 33 percent reduction from the average procurement time at the end of fiscal year 1996.

## Revisions to the Fiscal Year 2000 Annual Performance Plan

We have recast this as part of a broader goal of improved management systems. The two original indicators were dropped.

## Adjustments to Be Included in the Fiscal Year 2001 Annual Performance Plan

Performance targets for management improvement (primarily activities and outputs) were added, as well as two broader indicators measuring USAID's responsiveness to management audit findings and recommendations.

### PERFORMANCE GOAL 2: LEVEL OF DEVELOPMENT ASSISTANCE CHanneled THROUGH STRENGTHENED NONGOVERNMENTAL AND PRIVATE VOLUNTARY ORGANIZATIONS INCREASED

#### Performance Analysis

The percentage of assistance channeled through NGOs and PVOs continues to

provide a rough but useful measure of broadened nongovernmental participation in USAID's programs (see table 7.2).

### Performance Table From Fiscal Year 1999 Annual Performance Plan

**Table 7.2. Performance Goal 2: Level of Development Assistance Channeled Through Strengthened Nongovernmental and Private Voluntary Organizations Increased**

*Indicator:* Percentage of USAID-managed development assistance channeled through U.S.-based and local NGOs.

*Source:* USAID calculations from procurement and financial information reports.

	Baseline 1995	Latest Actuals	Fiscal Year 1999 APP Target
<b>Level of development assistance channeled through NGOs and PVOs</b>	30%	37%	>30%

*Notes:* For the purpose of this performance goal, a qualified nongovernmental organization or private voluntary organization is defined as

- A U.S. PVO organized in the United States but not necessarily registered with USAID
- A local PVO operating in the country whose laws govern the organization
- A third-country PVO or international PVO not included in one of the two previous categories
- A private association of persons joined to achieve a common economic objective otherwise known as a cooperative development organization

The percentage is calculated as total funding for Disaster Assistance and other disaster funding divided by the sum total of USAID funding from these accounts for PVO programs (including cooperatives).

**Achievement Beyond Fiscal Year 1999 Annual Performance Plan**

The target for fiscal year 1999 was exceeded.

**Planned Actions for Unmet Fiscal Year 2000 Targets**

This is not applicable.

**Revisions to the Fiscal Year 2000 Annual Performance Plan**

This indicator was retained as part of a recast performance goal of “strengthened partnerships.”

**Adjustments to Be Included in the Fiscal Year 2001 Annual Performance Plan**

Specific performance targets (primarily activities and outputs) were added for “strengthened partnerships,” and the broader indicator (percentage assistance through NGOs/PVOs) was retained.



**Performance Table From Fiscal Year 1999 Annual Performance Plan**

**Table 7.3. Performance Goal 3: Coordination Among U.S. Government Agencies Contributing to Sustainable Development Increased**

*Indicators:* a) Statements at the objective level across strategic plans of U.S. government agencies concerned with sustainable development consistent;  
 b) Coordination of activities at USAID program approach level across U.S. government agencies concerned with sustainable development enhanced.

*Sources:* USAID and other agency strategic plans; mission performance plans; analytical assessments by USAID’s Bureau for Policy and Program Coordination.

	<b>Baseline</b>	<b>Latest Actuals</b>	<b>Fiscal Year 1999 APP Target</b>
Percent of shared objective-level statements across agencies	n/a	n/a	90%
Increased complementarity of goals, strategies, and performance among the U.S. government agencies at the country level	Medium	n/a	Medium-High

*Note:* Baselines for these indicators were to be developed from the strategic plans of concerned agencies during fiscal year 1998. However, the analysis was not conducted, because the Agency decided the costs outweighed the benefits.

**PERFORMANCE GOAL 3: COORDINATION AMONG U.S. GOVERNMENT AGENCIES CONTRIBUTING TO SUSTAINABLE DEVELOPMENT INCREASED**

**Performance Analysis**

The broader performance indicators for this goal (see table 7.3) were dropped. The measures were judged to have limited value in managing and measuring improved coordination and would have been difficult to operationalize and costly to implement. USAID’s progress was instead assessed in terms of specific coordination activities and targets with other U.S. government agencies and the Department of State.

**Achievement Beyond Fiscal Year 1999 Annual Performance Plan**

This is not applicable.

**Planned Actions for Unmet Fiscal Year 1999 Targets**

This is not applicable.

**Revisions to the Fiscal Year 2000 Annual Performance Plan**

The Agency recast this as part of a new “strengthened partnerships” performance goal.

**Adjustments to Be Included in the Fiscal Year 2001 Annual Performance Plan**

Specific targets (primarily activities and outputs) were established for increased U.S. government coordination.



**Performance Table From Fiscal Year 1999 Annual Performance Plan**

**Table 7.4. Performance Goal 4: Organization for Economic Cooperation And Development Agenda of Agreed Development Priorities Expanded**

*Indicators:* a) Resource flows by major development goals; b)OECD/Development Assistance Committee agreement on strategies to reduce poverty.

*Sources:* Development Assistance Committee statistics on aid flows; donor reports to DAC on implementing the *Shaping the 21st Century* partnership strategy.

	<b>Baseline</b>	<b>Latest Actuals</b>	<b>Fiscal Year 1999 APP Target</b>
Level of agreement on OECD development priorities	Medium	n/a	Medium-High

*Note:* Aid flows by policy objectives defined in the OECD/Development Assistance Committee’s *Shaping the 21st Century* will measure the degree to which donors are concentrating resources on agreed objectives and serve as a proxy measure of donor consensus on development priorities.

**PERFORMANCE GOAL 4: ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT AGENDA OF AGREED DEVELOPMENT PRIORITIES EXPANDED**

**Performance Analysis**

The specific performance indicator for this goal (see table 7.4) was dropped. Quantifying the “level of agreement on OECD priorities” was judged to be of limited value in managing or measuring improved donor coordination, and would have been difficult to operationalize and costly to implement. Progress was instead assessed in terms of specific coordination activities and accomplishments.

**Achievement Beyond Fiscal Year 1999 Annual Performance Plan**

This is not applicable.

**Planned Actions for Unmet Fiscal Year 1999 Targets**

This is not applicable.

**Revisions to the Fiscal Year 2000 Annual Performance Plan**

This has been recast as part of a new “strengthening partnerships” performance goal.

**Adjustments to Be Included in the Fiscal Year 2001 Annual Performance Plan**

Specific targets (primarily activities and outputs) were established for increased donor coordination.

**Performance Table From Fiscal Year 1999 Annual Performance Plan**

**Table 7.5. Performance Goal 5: Capacity to Report Results And Allocate Resources on the Basis of Performance Improved**

*Indicators:* a) Access to financial information; b) Access to program results information.

*Sources:* Agency chief financial officer reports; annual results reviews; and operations module of the New Management System.

	<b>Baseline</b>	<b>Latest Actuals</b>	<b>Fiscal Year 1999 APP Target</b>
Quality of consolidated financial statements as required under the Chief Financial Officer Act		No opinion	Qualified
Operating units using an integrated portfolio of information systems for budget, program results, and procurement increased		USAID/ Washington	USAID/ Washington only

*Note:* A “qualified” finding represents the “second tier” assessment in the opinion of the auditors on the condition of USAID’s financial statements.

## **PERFORMANCE GOAL 5: CAPACITY TO REPORT RESULTS AND ALLOCATE RESOURCES ON THE BASIS OF PERFORMANCE IMPROVED**

### **Performance Analysis**

USAID increased the integration of information systems both in Washington and the field during fiscal year 1999 (see table 7.5). The Agency also made substantial progress in improving the quality of chief-financial officer statements but did not achieve a “qualified” opinion. Sufficient improvement in performance reporting and in loan accounting and reporting was accomplished toward the elimination of these two material weaknesses.

### **Achievement Beyond Fiscal Year 1999 Annual Performance Plan**

This is not applicable.

### **Planned Actions for Unmet Fiscal Year 1999 Targets**

USAID has actions under way (detailed earlier in this chapter) to improve the quality of financial information and reporting, including the implementation

of a new COTS financial management system, to produce a consolidated financial report with an unqualified audit opinion for fiscal year 2001.

### **Revisions to the Fiscal Year 2000 Annual Performance Plan**

This performance goal was subsumed under new performance goals for “strengthening leadership and learning” and “improving management systems.”

### **Adjustments to Be Included in the Fiscal Year 2001 Annual Performance Plan**

Specific targets (primarily activities and outputs) were established for improved financial management and program information. New performance indicators for management improvement were adopted based on the Agency’s ability to respond to and closely audit recommendations.

## **Notes**

<sup>1</sup>See *FY 1999 Technical Performance Volume*, 1999. USAID/Bureau for Policy and Program Coordination/Center for Development Information and Evaluation/Performance Monitoring and Evaluation project under contract No. AEP 0085-I-006017-00. ISTI, Washington.

<sup>2</sup>Ibid.

<sup>3</sup>See Office of Inspector General (1999), *U.S. Agency for International Development*. Audit of the Quality of Results Reported in USAID Operating Units’ Results Review and Resource Request (R4) Reports prepared in 1997. Report No. 9-000-99-006-P. 5 March.

<sup>4</sup>*Performance & Monitoring Tips*, No. 12.

<sup>5</sup>R4, shorthand for Results Review and Resource Request, is USAID’s process for reporting on its in-country programs and proposing future funding levels.

<sup>6</sup>General Accounting Office Performance and Accountability Series: *Major Management Challenges and Program Risks: Agency for International Development*, January 1999. General Accounting Office/OCG-99-16 USAID Challenges. Washington.





# 7

## Strategic Goal 7:

### Keep USAID A Premier Development Agency

## I. Overview

During fiscal year 1999, USAID strengthened its leadership, enhanced its learning capacity, deepened its partnerships, and made progress in increasing the efficiency and effectiveness of its management systems. The Agency revised and streamlined results reporting to make performance information more relevant and useful to decision-making. USAID refocused annual goal reviews to ensure that performance information was fully reflected in the top-level program and budget deliberations. The Agency enhanced the validity and verifiability of performance data by developing explicit data quality standards and incorporating them in expanded training and technical assistance. The Agency assertively partnered with other donors to ensure harmony and coherence in policies and programs, with particular emphases on issues involving trade, poverty, conflict prevention, emergency assistance, and the environment.

USAID also substantially improved processes for the modernization of management and information systems for the 21st century, by instituting more rigorous and systematic planning and implementation of information technology investments. The Agency eliminated material weaknesses in its performance reporting and loan accounting and portfolio management systems. Resources dedicated to acquiring a new accounting system, remedying Y2K, and improving information systems and security achieved significant results.

USAID's fiscal year 1999 Annual Performance Plan not only identified performance goals for the Agency's development programs, but it also

articulated the Agency's management goal of "remaining a premier bilateral development agency." This management goal expressed USAID's commitment to being a leader in development assistance, to pioneering effective solutions to pressing development problems, and to delivering development assistance as efficiently and effectively as possible. In essence, the management goal affirms the Agency's commitment to getting the most value from taxpayer dollars while making the greatest possible difference for development.

The Agency's fiscal year 1999 Annual Performance Plan outlined an initial set of performance goals and indicators for this management objective, shown in box 7.1. But the significance and feasibility of achieving FY99 performance measures proved uneven and, for the most part, did not provide a useful framework for making or measuring progress.

In the Annual Performance Plan for fiscal year 2000, the FY99 performance goals were reorganized and recast. Activities and initiatives previously framed under five performance goals were subsumed under two new performance goals: 1) leadership and learning capacity to achieve results enhanced and 2) management and delivery of development assistance improved. But only one of the FY99 APP performance indicators, percentage of USAID-managed development assistance channeled through strengthened U.S.-based and local nongovernmental organizations, was retained in its original form. The Agency's fiscal year 2001 Annual Performance Plan has built on this

foundation to articulate a larger set of management targets that are clearly and consistently linked to a revised Agency goal of ensuring that “USAID evolves into a model 21st-century international development agency.” The FY01 plan discusses USAID’s Reform “Road Map,” which was developed and disseminated in fiscal year 1999. It includes the kind of specific management

activities and targets that the Office of Management and Budget, the General Accounting Office, and congressional stakeholders have requested. There are three performance goals: 1) leadership and learning, 2) strong partnerships, and 3) improved management systems. The FY01 plan also identifies three higher level “outcome” indicators, adding two new measures of management improvement to the existing indicator on private voluntary organization (PVO) and nongovernmental organization (NGO) assistance. The two new indicators are *number of weaknesses outstanding at the end of the fiscal year* and *percent of audit recommendations closed within one year*. These changes reflect Agency efforts over the past 12 months to more fully implement and incorporate management reforms in the fiscal year 2001 Annual Performance Plan.

The substantial revisions that were made between fiscal year 1999 and today presented the Agency with a dilemma in reporting management progress from the past year. By relying solely on the performance goals and targets from the FY99 plan, we would ignore much we had decided was important. Thus, we organized this chapter into parts. In section II, accomplishments during FY98 and FY99 are described in terms of the new framework of the objectives and activities presented in USAID’s fiscal year 2001 APP. Section IV presents and discusses data on the fiscal year 1999 performance goals and indicators, even though these have now been largely replaced.

### Box 7.1. Fiscal Year 1999 Annual Performance Plan Management Performance Goals and Indicators

**Performance goal 1: Time to deploy effective development and disaster relief resources overseas reduced**

*Indicator a:* Percent of critical positions vacant reduced.  
*Indicator b:* Time to procure development services reduced.

**Performance goal 2: Level of USAID-managed development assistance channeled through strengthened nongovernmental and private voluntary organizations increased**

*Indicator:* Percentage of USAID-managed development assistance channeled through strengthened U.S.-based and local nongovernmental organizations.

**Performance goal 3: Coordination among U.S. government agencies contributing to sustainable development increased**

*Indicator a:* Statements at the objective level across strategic plans of U.S. government agencies concerned with sustainable development consistent.  
*Indicator b:* Coordination of activities at the USAID program approach level across U.S. government agencies concerned with sustainable development enhanced.

**Performance goal 4: Organization for European Cooperation and Development agenda of agreed development priorities expanded**

*Indicator a:* Resource flows by major development goals.  
*Indicator b:* OECD/Development Assistance agreement on strategies to reduce poverty.

**Performance goal 5: Capacity to report results and allocate resources on the basis of performance improved**

*Indicator a:* Access to financial information.  
*Indicator b:* Access to program results information.

## II. Management Initiatives

### ***Performance Goal 7.1: Leadership and Learning Capacity to Achieve Results Strengthened***

The developing world presents a complicated and ever-changing array of problems and opportunities. To remain a premier development agency, USAID must comprehend the shifting currents of development to apply innovative and effective approaches to achieve the best results possible. To manage for results successfully, the Agency must also effectively monitor and evaluate the performance of its programs and learn from experience. And USAID must communicate, share, and apply the knowledge gained to influence the entire development community.

### **Reform Road Map Developed and Implemented**

USAID surveyed staff and partners extensively in fiscal year 1998 to identify factors hindering full implementation of management reforms approved in 1995. After top managers decided it was essential to aggressively address obstacles to improving management, the Agency in FY99 developed a Reform Road Map that identified the actions that needed to be taken, by whom, and by when to create an agency that managed effectively for results.

To oversee implementation of the Reform Road Map, the USAID Administrator formed a change management group, co-chaired by the assistant

administrator for policy and the assistant administrator for management. This group, in turn, created an operations governance team charged with identifying Agency policies and procedures that needed fixing and the USAID staff capable of fixing them. The Reform Road Map (summarized in annex A) articulates important activities, indicators, and targets for the management improvement activities reported in this chapter.

### **Annual Goal Area Performance Reviews Strengthened**

During fiscal year 1999, USAID significantly expanded the scale and scope of its annual goal area reviews and more fully integrated the reviews into its program and policy decision-making. The previous year, goal reviews had been prepared primarily by and for the Bureau for Policy and Program Coordination, which shared a memo summarizing findings with the other bureaus. In FY99, however, the goal reviews mobilized Agencywide teams (led by the PPC Bureau). Results for each goal area were formally presented to and discussed by Agency managers. The PPC Bureau briefed USAID senior staff on the most meaningful findings from the goal reviews. Those findings were reflected in top-level policy and budget deliberations and in plans for future evaluations and analyses. In sum, in fiscal year 1999, Agency participation in and exposure to the reviews expanded vastly, and the reviews had much greater influence on Agency decision-making.

The fiscal year 1999 goal reviews also paid special attention to crosscutting

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**USAID programs that emphasized supporting policy reform, institutional strengthening, and other broad systemic changes achieved better results than programs concerned with delivering services or transferring resources to specific groups.**

issues and identified synergies across goal areas that bore heavily on results. Two of the most significant such issues were the role of women in development and the importance of collaborating and participating with customers and partners.

Since the mid-1970s, USAID has been a leader among development agencies in promoting women's issues in social and economic programs. In 1996, the Agency reaffirmed this commitment through the Gender Plan of Action, which laid out a series of concrete steps to institutionalize mechanisms for treating gender issues. By the end of fiscal year 1999, USAID had completed nearly all actions required by the plan, including implementing a Women in Development fellows program and incorporating a requirement that all grants stipulate how gender issues will be addressed. In addition to its efforts to incorporate gender considerations in all mission activities, USAID has taken a leadership role in this area at the national level through the President's Interagency Council on Women and internationally through the Development Assistance Committee Working Party on Gender Equality.

In general, this year's goal area reviews placed considerably more emphasis on factors affecting performance, concentrating on information that was most important and useful to managing for results. Some findings from the FY99 reviews had substantial implications for program management. One of the most striking common themes was the importance of recipient-country policies and institutions on program performance. This was manifest in two respects. First, aid programs tended to achieve greater results in countries making serious self-help efforts in policy

reform and institution building, pointing to the importance of greater *selectivity* in the allocation of aid across countries. Second, USAID programs that emphasized supporting policy reform, institutional strengthening, and other broad systemic changes achieved better results than programs concerned with delivering services or transferring resources to specific groups. Both findings fit well with the emerging literature on aid effectiveness.

The goal reviews also revealed the continuing tension between centralization and decentralization within the Agency itself. While regional and cross-border programs are growing, and while USAID addresses global issues and strives to achieve global progress, most development problems still pertain to individual countries. They are, after all, where programs are implemented, where progress occurs, and where policies and institutions are manifest. The tension between global goals and country programming also was reflected in concerns about the extent to which Agency performance goals and country strategic objectives are within our realistic manageable interests and whether, with declining resources, USAID's programs are being spread too thin.

## **Performance Data Quality And Availability Enhanced**

During fiscal year 1999, USAID continued working energetically to improve the quality and availability of performance data within and beyond the Agency. Some important accomplishments were

- Agencywide training on "managing for results"

- Implementation of performance-measurement workshops for field staff and partners
- Expansion of technical assistance on performance measurement for missions and offices
- The technical analysis of performance-data quality and coverage
- The selective review of operating-unit performance reports and monitoring plans
- Creation of a Web-accessible database of performance information for every USAID operating unit
- Development and dissemination of standards on performance data and indicator quality (*Performance Monitoring & Evaluation Tips No. 12*)

To manage for results rather than simply for reporting results, and in response to staff and partner feedback about Agency reforms, USAID in fiscal year 1999 streamlined mission and office reporting requirements. This better served management's information needs. More specifically, USAID/Washington encouraged operating units to eliminate irrelevant indicators, to focus reporting on the indicators most pertinent to decision-making (regardless of the level of results involved), and to identify the indicators expected to be most relevant next year. Reflecting this guidance, the average number of indicators reported for each operating unit strategic objective dropped from 9.0 in fiscal year 1997 to 4.4 in FY98. The percentage of missions and bureaus reporting data at the level of strategic objectives (end outcomes, in Government Performance and Results Act

terms) also dropped in FY98 (from 64 percent to 49 percent). This reflected that more missions were reporting data on intermediate results that were more directly related to their programs. These data generally proved more relevant for assessing performance and more useful to Agency decision-makers.

Other important results of USAID's efforts to improve the quality (validity and verifiability) and availability of USAID's performance data are discussed later in the chapter.

## Capacity to Measure Performance Strengthened

The percentage of operating-unit strategic objectives for which performance data were reported rose substantially from 64 percent in fiscal year 1997 to 87 percent in FY98. It remained at about the same high level (84 percent) in FY99. Missions and offices have now developed the capacity to measure performance. In general, they have at least one indicator for each strategic objective with a baseline, a target, and actual data. Having actual performance data for 84 percent of strategic objectives is above the target of 80 percent set last year.

A review of the data by Agency goal indicates that performance data were most difficult to obtain in the areas of democracy and governance (reflecting the complexity of concepts and measures) and humanitarian assistance (reflecting the emphasis on delivering emergency assistance, rather than on measuring impact). We will place more attention on developing better indicators and data in both of these areas over the coming year.<sup>1</sup>



## **Data Quality: Comparability Over Time**

Seventy-nine percent of the strategic objectives for which operating units reported data in fiscal year 1998 had comparable data reported the previous year. This level of consistency in reporting provided a meaningful basis for year-to-year comparisons of strategic-objective progress and for trend analyses.<sup>2</sup>

## **Data Quality: Improved Reliability and Validity**

During fiscal years 1998 and 1999, the Office of the Inspector General (OIG) audited the quality of the results data reported by 18 USAID operating units and found room for improvement.<sup>3</sup> While the Agency believes that some of the criteria applied in this audit were overly rigid and that many of the quality problems identified were relatively minor, USAID strongly agreed with the OIG about the importance of having valid and reliable performance data. USAID management and the OIG are now working more closely to develop a shared understanding of the level of data “accuracy,” “completeness,” “validity,” and “support” that is acceptable and feasible. The Agency also moved quickly to develop and disseminate an initial set of USAID standards on indicator and data quality early in fiscal year 1999.<sup>4</sup>

## **Data Quality: Gender Differences**

For USAID to carry out its commitment to address gender issues in development programs and to improve the status of

women, Agency policy requires that certain performance indicators be disaggregated to reflect differences in results for men and women whenever feasible and relevant. Though many of the current Agencywide development context indicators are not amenable to such sex-disaggregation, we will consider the need to document results for women compared with men as we reconfigure indicators in the future. At the mission level, the extent to which performance data are gender disaggregated varies considerably across missions, depending on both the amount of attention given to gender in programming and the content of the program. In fiscal year 1999, when R4<sup>5</sup> guidance did not specifically reiterate the desirability of reporting gender-disaggregated results, the number of missions including such data dropped. Therefore, the R4 guidance for 2000 specifically requests reporting on gender.

## **Performance Data More Widely Available and Used**

During fiscal year 1998, USAID established an initial database of operating-unit performance information that Agency management used to assess information quality and to prepare the Annual Performance Report. In FY99, USAID not only established a similar database of operating-unit performance indicators, strategies, and R4 narratives, but we also made that data and other performance information accessible on the Internet for both Agency staff and external audiences.

The information has proven high in demand. In July 1999 (the first month these data were available), there were nearly 100,000 “hits” accessing this

performance information from the USAID Web site. External users downloaded more than a thousand copies of the Agency's fiscal year 1999 Annual Performance Plan and nearly a thousand copies of chapters from USAID's FY98 Annual Performance Report during August 1999, the first full month these documents were available electronically.

## Capacity to Learn From Experience Strengthened

While well-chosen performance indicators can signal whether programs are doing well or poorly, they rarely provide a sufficient basis for definitive performance judgements. Even more rarely do they indicate clearly what should be done. Managing for results requires not just performance measurement; it also requires learning from experience through research and evaluation. That includes research and evaluation conducted by USAID *and* by outside organizations such as the Office of the Inspector General, the General Accounting Office, and other donors and partners. Although recent staff reductions have reduced the number of studies the Agency conducts, USAID has more effectively targeted its evaluations and research at the most important and actionable development issues, as described in the next two sections.

## USAID's Operational-Level Evaluations

Each year, USAID's missions and offices (the Agency's operating units) conduct hundreds of formal and informal evaluations. Most are intended to inform the design, implementation,

planning, or decision-making about particular activities. Findings from the evaluations are reported in each operating unit's R4 and in specific evaluation documents. The findings are a major input into the Agency's goal reviews.

Copies of operating-unit evaluations are added to USAID's institutional memory, the development information system. During fiscal year 1999, about 325 evaluations completed in FY98 (200) and FY99 (125) were added. Once evaluations are abstracted and scanned into USAID's institutional memory, they can be easily located, accessed, and searched electronically to inform planning and decision-making throughout the Agency and beyond. Indeed, in fiscal year 1998, USAID responded to more than 150,000 requests for information and documents from its institutional memory. More than 40,000 of these requests come from USAID staff and contractors applying the lessons learned from evaluations to plan and design new programs. Operational-level evaluations are also analyzed as part of larger, Agencywide policy and evaluation studies, as cited throughout this Agency performance report.

## USAID's Central Evaluations

The Agency's central evaluations examine the effectiveness of activities in achieving results across country settings and goal areas. They explore alternative approaches to achieving results in new or controversial program areas. Lessons learned are disseminated to senior managers, technical staff, partners, and the wider public. Such evaluations often have a substantial effect on Agency policies, strategies, programs, and budgets.

**In fiscal year 1998, USAID responded to more than 150,000 requests for information and documents from its institutional memory. More than 40,000 of these requests come from USAID staff and contractors applying the lessons learned from evaluations to plan and design new programs.**

Each year, USAID develops an agenda of evaluation topics that reflects the most significant issues emerging from the Agency's annual goal reviews and from broader consultations with USAID managers, technical staff, and external audiences. Evaluations fully or substantially completed in fiscal year 1999 include

- Effectiveness of USAID's efforts to strengthen capital markets
- Effectiveness of enterprise funds
- Effectiveness of girls' education activities
- Effectiveness of activities combining democracy objectives with other goals
- Effectiveness of programs for women in postconflict societies
- Effectiveness of programs supporting democratic decentralization
- Impact of donor assistance in complex emergencies
- Review of the use of evaluation by operating units since reengineering
- Effectiveness of programs promoting postconflict reconciliation
- Impact of food aid on development
- Study of USAID's experience with countries graduating from assistance
- Review of donor experience with joint and collaborative evaluation

- Analysis of "gaining ground," assessing health, economic, and social trends in developing countries between 1950 and 1995
- Analysis of assistance allocations against country policy environments
- Analysis of the factors affecting country aid allocation
- Analysis of program performance in preparing the Agency Performance Report

Agency program evaluations contribute to development knowledge and address specific questions or issues about programs across countries. Individual country studies generally culminate in a final synthesis. Findings are further disseminated through presentations at appropriate forums within the development community. For example, the June 1999 paper *More, But Not Yet Better: USAID's Programs and Policies to Improve Girls' Education* (USAID Evaluation Highlights No. 64) culminated a series of studies on girls' education, including five country studies conducted in 1998 and 1999. It was presented in Washington to an audience of technical professionals representing the donor and private voluntary organization communities. *Promoting Democracy in Postconflict Societies: An International Dialog* (Conference Report No. 1, March 1999) was presented at an international conference of development donors and partners. That volume synthesizes findings from several country-program evaluations completed in fiscal years 1998 and 1999 on "Rebuilding Societies Emerging from Conflict" and on "Electoral Assistance to Postconflict Societies."

The specific implications of these and other studies for policy, program, and budget decision-making have been cited, where appropriate, throughout this report. Summaries of the findings from evaluations completed in fiscal year 1999 are provided in annex C.

## **Office of the Inspector General Evaluations And Reports**

The Office of the Inspector General summarizes its most significant audit findings in periodic letters to Congress that detail “the most serious management problems facing USAID.” For example, in a letter of 22 February 1999, the USAID inspector general identified five major management challenges facing the Agency: results reporting, financial management, information resources management, human resources capabilities, and the breadth of USAID’s program management mandate. The Agency agrees that these are major challenges. We are actively addressing them, as discussed in appropriate sections of this chapter.

USAID uses the audit process to help identify problems and assess progress toward results-based management. The Agency and the inspector general’s office jointly manage an audit follow-up system used to monitor corrective action when problems are identified.

One measure of the timeliness of the Agency’s response to the inspector general’s recommendations is the portion of them to which management responds with a decision within six months after the OIG report is issued. Another useful measure is the number

of recommendations that remain “open” (not finally resolved) for more than a year after the management decision is made. At the end of fiscal year 1999, for example, 12 percent of the outstanding recommendations were more than six months old without management having made a decision on them; also, more than a year had passed on 14 percent of the recommendations without final action having been taken. USAID has used these indicators to define formal performance goals and targets in the fiscal year 2001 Performance Plan.

The goals for improving USAID effectiveness and efficiency identified in the Office of the Inspector General’s five-year plan for fiscal years 1998–2002 match many of the Agency’s own management objectives. For instance, USAID is working with the inspector general’s office to develop mutually agreed-upon indicators that would enhance the utility of performance data for both organizations.

## **General Accounting Office Evaluations and Reports**

The General Accounting Office recently identified three management challenges for USAID that correspond with three of the problem areas the inspector general’s office identified: 1) information management, 2) the Y2K problem, and 3) financial management.<sup>6</sup> As described elsewhere in this chapter, USAID is moving assertively toward better financial and performance-based accountability. The General Accounting Office will continue to help monitor our progress toward those objectives.

**The goals for improving USAID effectiveness and efficiency identified in the Office of the Inspector General’s five-year plan for fiscal years 1998–2002 match many of the Agency’s own management objectives.**

## ***Performance Goal 7.2: Partnering Strengthened***

USAID's long history of founding and nurturing partnerships serves the Agency well as it develops the ever more complex, innovative, and forward-looking relationships on which success in the 21st century will rest. Indeed, each of the previous chapters of this report identifies (in a chart or narrative) other donors in each goal area with whom we coordinate and collaborate at the country and regional levels. This section assesses how we have strengthened such relationships for the Agency as a whole. Having established healthy partnerships with a vast array of institutions, donors, developing countries, businesses, and civil society organizations, USAID is poised to meet future challenges.

### **Greater Donor Consensus**

USAID has sought consensus on mutual approaches that reinforce and strengthen the common donor effort and direct assistance toward the biggest development problems.

The Agency has continued working energetically to achieve greater donor consensus through the TransAtlantic Dialog, the Organization for Economic Cooperation and Development's (OECD's) Development Assistance Committee, and other bilateral and multilateral forums. During fiscal year 1999, USAID emphasized the development of shared approaches to globalization (the diminishing significance of national boundaries because of increased cross-border trade, improved communications, more numerous joint ventures, increased travel, and freer movement of capital). Clearly, increas-

ing globalization has rendered several factors particularly relevant of late. For example, development assistance now represents only a small proportion of overall financial flows to the developing world. This means that forces and institutions beyond the foreign assistance realm must contribute to achieving development goals, if those goals are to be realized.

Efforts to deal with globalization also have underscored mechanical impediments to partnership at the field level. Although donors and their host-country partners need more than ever before to work closely together, a morass of bureaucratic and legal inconsistencies emerge each time they try. Two aspects of this that require urgent attention are the harmony of donor program practices and procedures and the standardization of packaging and other commercial requirements apply specifically to nutrition and health.

The Common Agenda with Japan continues to be one of USAID's most effective bilateral partnerships. Begun in 1993, the agenda seeks to increase the effectiveness of U.S. and Japanese assistance in population and health by increasing consultation and cooperation in planning, implementing, and evaluating programs and projects at the global and mission levels. Areas of emphasis include

- Population and HIV/AIDS
- Women in Development (education and microenterprise)
- Children's Health (centering on childhood immunization programs)
- Emerging and Reemerging Infectious Diseases

Partnerships with U.S. foundations are also playing an increasingly prominent role in USAID's work. Key partners for USAID include the Packard Foundation (which works primarily on reproductive health and family planning), the Gates Foundation (whose ever-expanding portfolio includes reproductive health and child survival), the UN Foundation (which supports United Nations agencies such as the World Health Organization), and the Soros Foundation (which has been particularly active in the newly independent states of central Europe and Eurasia). Although foundations traditionally operate independently, USAID during fiscal year 1999 continued interacting with these and other foundations at both the policy and program level, providing technical assistance and leveraging resources for its many nongovernmental organization partners.

In the population, health, and nutrition (PHN) goal area, USAID also has actively collaborated with development agencies such as the United Kingdom's Department for International Development on reproductive health and malaria prevention and the Swedish International Development Cooperation Agency on strengthening research capacity. Bilateral coordination of PHN programs in the field continued to increase during the past fiscal year, with most missions working to implement mechanisms that facilitate parallel funding and joint programming.

USAID has also collaborated closely on PHN programs with multilateral donors such as the World Health Organization, UNICEF, UNAIDS, the European Community, and the World Bank. As a result, USAID has influenced those donors' programming and, through

coordinating mechanisms at the country level, fostered policy and program donor coherence. In particular, USAID and the European Community have agreed to collaborate in seven areas within reproductive health and in child survival and infectious diseases. The Agency and the EC are jointly developing some activities to be carried out at the country level and others at the global level.

Another area of coordination where USAID has been both an intellectual leader and the preeminent donor is conflict resolution and prevention. While other donors have often resisted acknowledging the links between issues of peace and conflict and development, USAID worked closely with them during fiscal year 1999 to further their understanding of this essential connection.

The Agency has also made a major contribution to the donor community this past year by developing indicators for democracy, good governance, civil society, political process, and rule of law. These indicators are designed to measure what USAID missions are accomplishing and then to aggregate results to assess what the Agency as a whole is accomplishing. During fiscal year 1999, USAID presented this approach—a breakthrough in donor practices—to members of the Development Assistance Committee's Informal Network on Participatory Democracy and Good Governance. The reaction was enthusiastic. Currently, USAID and the German development agency (Gesellschaft für Technische Zusammenarbeit, or GTZ) are cosponsoring a democracy workshop that will include donors and participants from other developing countries. We foresee other such partnerships in the future.

**The Agency has made a major contribution to the donor community this past year by developing indicators for democracy, good governance, civil society, political process, and rule of law.**



During FY99, USAID also served as a prominent member of the OECD/Development Assistance Committee's Informal Network on Poverty Reduction. Specifically, the Agency funded U.S. analysts who worked with British and German colleagues in drafting the scope of work for the network's activities for the next two years. In so doing, USAID ensured that poverty and food insecurity issues remained linked. This in turn enhanced coherence among donor policies developed in response to the World Food Summit and the Development Assistance Committee's 21st-century targets. In collaboration with the United Kingdom and with support from France, USAID's leadership and technical expertise also ensured successful integration of gender issues into the Development Assistance Committee's poverty work. The Agency continues to lead the DAC Informal Network on Poverty Reduction's gender-mainstreaming effort. These contributions are critical, because the DAC is viewed in the development community both as the leader in current thought on poverty reduction and as the forum in which consensus views on poverty reduction issues are most highly regarded.

### **Host-Country Ownership**

USAID has actively promoted host-country ownership of development strategies.

The Agency has long been a leader in developing and using many different approaches to fostering local participation. One area in which USAID has particularly excelled: promoting host-country ownership outside the bilateral context. The Agency pioneered the New Partnerships Initiative, which works on policy at the national level and connec-

tions among government, business, and civil society at the local level. The initiative was one of the primary inspirations for the World Bank's Comprehensive Development Framework, issued in 1999. It also resonates with the Development Assistance Committee's strategy for *Shaping the 21st Century* and with the United Nations' new interagency framework.

In 1999, USAID also published *Partnering for Results: A User's Guide to Intersectoral Partnering*. This handy compendium helps development professionals, government officials, and host-country citizens employ new mechanisms to expand local ownership, increase the import of development assistance, and energize new partnerships across diverse sectors. Such partnerships have good prospects for success because they mobilize a wider base of resources and support. They generate greater commitment by increasing participation in defining solutions to development problems. The document was distributed to all mission directors, bureau managers, and other staff. The corresponding Web site is used heavily within and without the Agency.

USAID has a particularly successful history of partnering with NGOs in carrying out population, health, and nutrition activities at the community level—an approach that has promoted local ownership and has been critical for ensuring long-term sustainability for child-survival and family-planning programs. USAID's Population, Health, and Nutrition Center has partnered effectively with developing country institutions for applied and operations research. A few of these partners: the International Center for Diarrheal Disease Research in **Bangladesh**, the

Nogouchi Research Institute in **Ghana**, and the National Institute for Public Health in **Mexico**.

## 21st Century Strategy

The Agency has continued working with donors and host countries to implement the Development Assistance Committee's Shaping the 21st Century strategy.

The Development Assistance Committee's 21st-century strategy provides an important source of support for USAID's view—now widely adopted by the donor community—that successful development entails the integral involvement of host countries and their peoples in planning, implementing, and evaluating donor programs. The DAC strategy rests on the notion that donors share a common vision and can work together to realize that vision in the field. During fiscal year 1999, for example, USAID, GTZ, the World Bank, the UN Development Program, and other bilateral development agencies worked collaboratively with the government of **Bolivia** to strengthen programs in the justice sector. The lessons learned from this innovative partnership will be discussed at an Organization for Economic Cooperation and Development session during FY00. The Agency is also striving to integrate 21st-century strategy concepts into its work with the European Commission, the G-8 process, the World Bank Development Committee, and in the Administrator's bilateral meetings.

USAID's fiscal year 1999 Annual Performance Plan specifically targeted raising the OECD/DAC's agenda from a medium- to a medium-high-level priority. Though the U.S. remains a stalwart supporter of the DAC strategy, this target would have been formidable

in even the most favorable circumstances. After the United States lost the chair of the Development Assistance Committee to France (officially in February 1999, but in fact some months earlier), USAID's prospects for moving the agenda rapidly forward declined precipitously. As a result, this FY99 performance goal was never fully put into effect and was dropped from the Agency's fiscal year 2001 Performance Plan.

### ***Performance Goal 7.3: Management Support Systems Strengthened***

USAID has made substantial progress in building management systems and procedures needed for the Agency to deliver the best possible development results. Improvements in financial management, information management, human resources management, administrative services, and grant and contract services have enhanced accountability and moved USAID closer to full compliance with statutory requirements aimed at more efficient and effective performance.

### **Strengthened Information Management**

The Agency has followed through on an information strategy to better support its business and comply with the Clinger-Cohen Act and the Government Performance and Results Act. We have developed a draft Information Management Strategic Plan for fiscal years 2001 through 2005. The plan defines USAID's approach for implementing an integrated information technology architecture that will guide preparation, evaluation, and selection of information-technology investments.

**The Development Assistance Committee's 21st-century strategy provides an important source of support for USAID's view—now widely adopted by the donor community—that successful development entails the integral involvement of host countries and their peoples in planning, implementing, and evaluating donor programs.**

**The Information Management Strategic Plan for fiscal years 2001 through 2005 will define the approach to implementing an integrated framework for acquiring and maintaining information technology that achieves USAID's goals.**

## **Year 2000 Compliance**

The highest priority information management activity during 1999 has been completing Year 2000 compliance work for USAID mission-critical systems. By September 1999, six of the seven critical systems were compliant. The last mission critical application, the New Management System, was renovated in May 1999, and validation and implementation were completed by November 1999. Agencywide Y2K workstation upgrades were completed under budget.

The Agency conducted 49 host-country assessments of Y2K readiness this past fiscal year. The assessments examined program-related information systems and levels of Y2K preparedness in critical sectors such as power, telecommunications, and transportation. We shared information from the studies with the foreign affairs community through an interagency group led by the State Department. USAID has an initiative in progress to share, through its missions and programs, standard tools that combine the common elements of Y2K contingency planning and repair strategies.

A Y2K business continuity and contingency plan was developed to cover the Agency's core business processes. It concentrates on the financial processes that support Washington and overseas field offices. At our field sites, USAID worked closely with the State Department, which has the lead in preparing local contingency plans for U.S. government agencies at each post.

## **Information Resources Management Processes**

The chief information officer and the Capital Investment Review Board reviewed, selected, and evaluated information-technology investments (including Y2K investments) during the past fiscal year. In FY99, the Agency completed the definition of IT systems and infrastructure required to support USAID strategic objectives.

The Information Management Strategic Plan for fiscal years 2001 through 2005 (expected for approval early in 2000) will define the approach to implementing an integrated framework for acquiring and maintaining information technology that achieves USAID's goals. This framework will guide preparation, evaluation, and selection of information technology investments. USAID completed a review of the current situation during FY99 and will establish targets early in FY00. Developing the architecture, however, is an iterative and dynamic process that will continue evolving as the Agency's business processes evolve.

## **New Management System**

The Agency's New Management System was designed to integrate information resources for budgeting, procurement, financial management, and program operations. Since its deployment in 1996, significant system performance problems have impaired the Agency's program and resource management capability. In fiscal year 1999, USAID continued its efforts to overcome system weaknesses and improve system functionality while simultaneously developing more effective replacements that rely primarily on

commercial off-the-shelf software and cross-servicing agreements.

All investments in the New Management System were overseen by the Agency's Capital Investment Review Board (CIRB) and by the CIRB's subcommittee, the NMS executive team. Since Y2K received top priority in all investment decisions, most NMS functional upgrades were tabled in deference to Y2K compliance upgrades.

The Agency instituted rigorous configuration management processes on the New Management System software. The error rate of software releases has dropped dramatically, and fiscal year 1999 year-end closing within NMS was performed with minimal unnecessary downtime—a significant improvement from previous closings. These practices are currently being applied to the Y2K compliance effort and will enable the Agency to achieve full compliance with a tested and verifiable level of confidence.

## **Overseas Mission Connectivity**

The Agency is examining different satellite network schemes to support smaller missions and regionalize services. As a first step, USAID offices in Europe, Japan, and Namibia were linked to USAID's intranet via local commercial Internet services. We installed Very Small Aperture Terminals at five of our smaller missions and examined new firewall technologies for missions relying on the Internet for connectivity.

## **Information Security**

USAID developed an information-system-security program plan that

outlines plans for bringing the Agency into full compliance with the Computer Security Act and Office of Management and Budget guidance by fiscal year 2003. The plan directly addresses information security concerns, drawing on knowledge and resources from other federal agencies and private information security initiatives. A program to implement best practices has been recognized by the chief-information officer community and the Office of the Inspector General for its quality and effectiveness.

## **Improved Procurement Assistance and Acquisition**

Greater teamwork between contracting personnel and technical staff led to better and earlier procurement planning. Joint efforts helped eliminate many routine obligation obstacles. The availability of expanded training courses, for both procurement and nonprocurement professionals, helped improve staff knowledge of acquisitions and assistance requirements.

Forty-two competitive procurements were completed for Washington offices during the fiscal year 1998 procurement cycle. The average timeframe of these procurements was 192 days. The actual timeline ranged from 69 to 510 days, with only 3 of the 42 exceeding one year.

More than 360 procurement personnel attended 24 acquisition and assistance certification courses during fiscal year 1999. These courses were held at seven overseas missions and in Washington. Attendees included contracting officers, executive officers, and foreign service national staff of both professions. The

**During fiscal year 1999 the Agency completed detailed requirements analysis and acquired a commercial off-the-shelf core accounting system that will serve as the cornerstone of our business systems and modernization program. The current plan is to launch the new system in Washington during FY00 and to implement the system in field offices during 2001 and 2002.**

Agency was expecting to certify all of its contracting officers by the end of December 1999.

A significant portion of the training for nonprocurement personnel was provided as part of the in-house Reaching for Results course. About 14 courses were held, and 500 professionals (including activity managers and cognizant technical officers) received training. Additionally, about 185 activity managers and cognizant technical officers underwent training related to grants management and performance-based contracting through commercial vendors.

### **Improved Financial Management**

USAID continued to execute its strategy for an integrated financial management program that will support operational efficiency and data integrity. A chief financial officer was appointed in February 1999, and a central program management office was established under the direction of that officer to oversee business planning, acquisition planning, and systems implementation of an integrated financial systems program. The chief financial officer will be responsible for integrating modernization of those financial and mixed-financial systems included within the guidance of OMB Circular A-127.

During FY99 the Agency completed detailed requirements analysis and acquired a commercial off-the-shelf core accounting system that will serve as the cornerstone of our business systems and modernization program. The requirements conform with the standards and guidelines prescribed by the Office of Management and Budget. The current plan is to launch the new

system in Washington during fiscal year 2000 and to implement the system in field offices during 2001 and 2002.

USAID's Modernization Plan for Integrated Financial Management Systems will ensure that the Agency implements a financial management system to support our global mission. The plan lists priorities for replacing the Agency's remaining major financial support systems over the next five years (such as budget, procurement, human resources, property management, and performance management). Detailed plans are provided for systems identified for execution in fiscal years 2000 and 2001. USAID will execute each of these in close coordination with the chief information officer, using methodologies established by the CIO.

The chief financial and chief information officers are working closely with the Office of the Inspector General to improve the quality of financial information. The inspector general does not expect to render an opinion on the fiscal year 1999 financial statements. The chief financial officer and OIG agreed on a plan to focus audit resources on data-quality problems during the fiscal year 1999 audit. This will increase the likelihood that the inspector general's office can express an opinion on the fiscal year 2000 consolidated financial statements.

USAID completed actions in FY99 that establish an effective system of checks and balances for its direct loan program. The loan servicing function was outsourced to Riggs National Bank. The Office of Management and Budget certified the Agency to manage the Development Credit Authority. Most significantly, this enabled USAID to eliminate its loan systems from the list of Agency material weaknesses.



## **Strengthened Administrative Management**

With the relocation of USAID headquarters staff to the Ronald Reagan Building complete, the Agency placed greater emphasis on achieving operational efficiencies both in Washington and overseas.

USAID has taken the lead among U.S. government agencies in providing services in several countries as a part of the International Cooperative Administrative Support Service. The Agency is currently providing administrative support services in two missions. Beginning in fiscal year 2000, we expect to offer administrative support services in nearly a dozen more.

In 1999, the Agency identified 10 of its overseas properties that cannot be occupied and will be liquidated. Once these properties are sold, we plan to construct new properties that would eliminate expensive annual rental fees.

## **Strengthened Human Resources Management**

The Agency undertook several initiatives to ensure that there is adequate staff with appropriate skills to fulfill its mandate. An intensive position review effort helped reshape the workforce to reinforce financial, managerial, and technical accountability for USAID-managed resources.

The Agency's management council, functioning as the approval authority for all outside hires, made sure that only positions representing a long-term need were filled. Additionally, an annual foreign service recruitment plan was

developed and approved that reflects the Agency's personnel needs. In fiscal year 1999, USAID filled 100 percent of its overseas positions prioritized and identified as critical.

Building staff knowledge and skills is critical for effective management and oversight of Agency resources. While USAID has reduced its staff by 35 percent since 1993, it strives to maintain its staffs' technical skills. The Agency has shifted to competency-based training for both existing staff and new entrants. We have developed a series of new staff training programs. These new courses are on teamwork, leadership, senior leadership, managing for results, and organization and operations. New mission directors attended an orientation program tailored to expose them to critical management issues the Agency faces.

Technical training was also provided in a variety of fields. Procurement training included contract law, contract administration, procurement management certification, and simplified acquisitions and grants management. Other technical training included language training, computer training, and training to keep staff current in technical specialties such as environment, economic growth, health and population, democracy and governance, and human capacity development.

We also developed a new-entrant training program. Beginning in October 1999, new entrants began completing relevant training before starting their first overseas assignment. Upon completing training, their knowledge will be assessed to ensure they possess the requisite primary technical skills, managerial skills, and interpersonal skills.



### III. Performance by Fiscal Year 1999 Annual Performance Plan

#### PERFORMANCE GOAL 1: TIME TO DEPLOY EFFECTIVE DEVELOPMENT AND DISASTER RELIEF RESOURCES OVERSEAS REDUCED

##### Performance Analysis

The fiscal year 1999 performance targets for “critical positions filled” and “procurements completed” (see table 7.1) proved of limited value in measuring performance toward the broader goal of more efficient and effective resource deployment.

##### Achievement Beyond Fiscal Year 1999 Plan

Both FY99 targets were exceeded.

##### Planned Actions for Unmet Fiscal Year 1999 Targets

This is not applicable.

#### Performance Table From Fiscal Year 1999 Annual Performance Plan

**Table 7.1. Performance Goal 1: Time to Deploy Effective Development  
And Disaster Relief Resources Overseas Reduced**

*Indicators:* a) Percent of critical positions vacant reduced; b) Time to procure development services reduced.

*Sources:* Annual assessment of critical positions; direct-hire workforce assessment reports; and New Management System.

	Revised Baseline	Latest Actuals	Fiscal Year 1999 APP Target
<b>Vacant critical positions filled</b>	n/a	100%	90%
<b>FY99 procurements completed in 12 months or less</b>	n/a	93%	90%

*Note:* Critical positions are defined as those necessary to ensure full and complete financial, managerial, and technical accountability for USAID/Washington-managed resources. A profile of critical positions will be established in fiscal year 2000.

Procurement includes those actions through which USAID/Washington acquired the goods and services necessary to deliver its assistance. A 12-month procurement cycle will represent a 33 percent reduction from the average procurement time at the end of fiscal year 1996.

## Revisions to the Fiscal Year 2000 Annual Performance Plan

We have recast this as part of a broader goal of improved management systems. The two original indicators were dropped.

## Adjustments to Be Included in the Fiscal Year 2001 Annual Performance Plan

Performance targets for management improvement (primarily activities and outputs) were added, as well as two broader indicators measuring USAID's responsiveness to management audit findings and recommendations.

### PERFORMANCE GOAL 2: LEVEL OF DEVELOPMENT ASSISTANCE CHanneled THROUGH STRENGTHENED NONGOVERNMENTAL AND PRIVATE VOLUNTARY ORGANIZATIONS INCREASED

#### Performance Analysis

The percentage of assistance channeled through NGOs and PVOs continues to

provide a rough but useful measure of broadened nongovernmental participation in USAID's programs (see table 7.2).

### Performance Table From Fiscal Year 1999 Annual Performance Plan

**Table 7.2. Performance Goal 2: Level of Development Assistance Channeled Through Strengthened Nongovernmental and Private Voluntary Organizations Increased**

*Indicator:* Percentage of USAID-managed development assistance channeled through U.S.-based and local NGOs.

*Source:* USAID calculations from procurement and financial information reports.

	Baseline 1995	Latest Actuals	Fiscal Year 1999 APP Target
<b>Level of development assistance channeled through NGOs and PVOs</b>	30%	37%	>30%

*Notes:* For the purpose of this performance goal, a qualified nongovernmental organization or private voluntary organization is defined as

- A U.S. PVO organized in the United States but not necessarily registered with USAID
- A local PVO operating in the country whose laws govern the organization
- A third-country PVO or international PVO not included in one of the two previous categories
- A private association of persons joined to achieve a common economic objective otherwise known as a cooperative development organization

The percentage is calculated as total funding for Disaster Assistance and other disaster funding divided by the sum total of USAID funding from these accounts for PVO programs (including cooperatives).

**Achievement Beyond Fiscal Year 1999 Annual Performance Plan**

The target for fiscal year 1999 was exceeded.

**Planned Actions for Unmet Fiscal Year 2000 Targets**

This is not applicable.

**Revisions to the Fiscal Year 2000 Annual Performance Plan**

This indicator was retained as part of a recast performance goal of “strengthened partnerships.”

**Adjustments to Be Included in the Fiscal Year 2001 Annual Performance Plan**

Specific performance targets (primarily activities and outputs) were added for “strengthened partnerships,” and the broader indicator (percentage assistance through NGOs/PVOs) was retained.



**Performance Table From Fiscal Year 1999 Annual Performance Plan**

**Table 7.3. Performance Goal 3: Coordination Among U.S. Government Agencies Contributing to Sustainable Development Increased**

*Indicators:* a) Statements at the objective level across strategic plans of U.S. government agencies concerned with sustainable development consistent;  
 b) Coordination of activities at USAID program approach level across U.S. government agencies concerned with sustainable development enhanced.

*Sources:* USAID and other agency strategic plans; mission performance plans; analytical assessments by USAID’s Bureau for Policy and Program Coordination.

	<b>Baseline</b>	<b>Latest Actuals</b>	<b>Fiscal Year 1999 APP Target</b>
Percent of shared objective-level statements across agencies	n/a	n/a	90%
Increased complementarity of goals, strategies, and performance among the U.S. government agencies at the country level	Medium	n/a	Medium-High

*Note:* Baselines for these indicators were to be developed from the strategic plans of concerned agencies during fiscal year 1998. However, the analysis was not conducted, because the Agency decided the costs outweighed the benefits.

**PERFORMANCE GOAL 3: COORDINATION AMONG U.S. GOVERNMENT AGENCIES CONTRIBUTING TO SUSTAINABLE DEVELOPMENT INCREASED**

**Performance Analysis**

The broader performance indicators for this goal (see table 7.3) were dropped. The measures were judged to have limited value in managing and measuring improved coordination and would have been difficult to operationalize and costly to implement. USAID’s progress was instead assessed in terms of specific coordination activities and targets with other U.S. government agencies and the Department of State.

**Achievement Beyond Fiscal Year 1999 Annual Performance Plan**

This is not applicable.

**Planned Actions for Unmet Fiscal Year 1999 Targets**

This is not applicable.

**Revisions to the Fiscal Year 2000 Annual Performance Plan**

The Agency recast this as part of a new “strengthened partnerships” performance goal.

**Adjustments to Be Included in the Fiscal Year 2001 Annual Performance Plan**

Specific targets (primarily activities and outputs) were established for increased U.S. government coordination.



**Performance Table From Fiscal Year 1999 Annual Performance Plan**

**Table 7.4. Performance Goal 4: Organization for Economic Cooperation And Development Agenda of Agreed Development Priorities Expanded**

*Indicators:* a) Resource flows by major development goals; b)OECD/Development Assistance Committee agreement on strategies to reduce poverty.

*Sources:* Development Assistance Committee statistics on aid flows; donor reports to DAC on implementing the *Shaping the 21st Century* partnership strategy.

	<b>Baseline</b>	<b>Latest Actuals</b>	<b>Fiscal Year 1999 APP Target</b>
Level of agreement on OECD development priorities	Medium	n/a	Medium-High

*Note:* Aid flows by policy objectives defined in the OECD/Development Assistance Committee’s *Shaping the 21st Century* will measure the degree to which donors are concentrating resources on agreed objectives and serve as a proxy measure of donor consensus on development priorities.

**PERFORMANCE GOAL 4: ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT AGENDA OF AGREED DEVELOPMENT PRIORITIES EXPANDED**

**Performance Analysis**

The specific performance indicator for this goal (see table 7.4) was dropped. Quantifying the “level of agreement on OECD priorities” was judged to be of limited value in managing or measuring improved donor coordination, and would have been difficult to operationalize and costly to implement. Progress was instead assessed in terms of specific coordination activities and accomplishments.

**Achievement Beyond Fiscal Year 1999 Annual Performance Plan**

This is not applicable.

**Planned Actions for Unmet Fiscal Year 1999 Targets**

This is not applicable.

**Revisions to the Fiscal Year 2000 Annual Performance Plan**

This has been recast as part of a new “strengthening partnerships” performance goal.

**Adjustments to Be Included in the Fiscal Year 2001 Annual Performance Plan**

Specific targets (primarily activities and outputs) were established for increased donor coordination.

**Performance Table From Fiscal Year 1999 Annual Performance Plan**

**Table 7.5. Performance Goal 5: Capacity to Report Results And Allocate Resources on the Basis of Performance Improved**

*Indicators:* a) Access to financial information; b) Access to program results information.

*Sources:* Agency chief financial officer reports; annual results reviews; and operations module of the New Management System.

	<b>Baseline</b>	<b>Latest Actuals</b>	<b>Fiscal Year 1999 APP Target</b>
Quality of consolidated financial statements as required under the Chief Financial Officer Act		No opinion	Qualified
Operating units using an integrated portfolio of information systems for budget, program results, and procurement increased		USAID/ Washington	USAID/ Washington only

*Note:* A “qualified” finding represents the “second tier” assessment in the opinion of the auditors on the condition of USAID’s financial statements.

## **PERFORMANCE GOAL 5: CAPACITY TO REPORT RESULTS AND ALLOCATE RESOURCES ON THE BASIS OF PERFORMANCE IMPROVED**

### **Performance Analysis**

USAID increased the integration of information systems both in Washington and the field during fiscal year 1999 (see table 7.5). The Agency also made substantial progress in improving the quality of chief-financial officer statements but did not achieve a “qualified” opinion. Sufficient improvement in performance reporting and in loan accounting and reporting was accomplished toward the elimination of these two material weaknesses.

### **Achievement Beyond Fiscal Year 1999 Annual Performance Plan**

This is not applicable.

### **Planned Actions for Unmet Fiscal Year 1999 Targets**

USAID has actions under way (detailed earlier in this chapter) to improve the quality of financial information and reporting, including the implementation

of a new COTS financial management system, to produce a consolidated financial report with an unqualified audit opinion for fiscal year 2001.

### **Revisions to the Fiscal Year 2000 Annual Performance Plan**

This performance goal was subsumed under new performance goals for “strengthening leadership and learning” and “improving management systems.”

### **Adjustments to Be Included in the Fiscal Year 2001 Annual Performance Plan**

Specific targets (primarily activities and outputs) were established for improved financial management and program information. New performance indicators for management improvement were adopted based on the Agency’s ability to respond to and closely audit recommendations.

## **Notes**

<sup>1</sup>See *FY 1999 Technical Performance Volume*, 1999. USAID/Bureau for Policy and Program Coordination/Center for Development Information and Evaluation/Performance Monitoring and Evaluation project under contract No. AEP 0085-I-006017-00. ISTI, Washington.

<sup>2</sup>Ibid.

<sup>3</sup>See Office of Inspector General (1999), *U.S. Agency for International Development*. Audit of the Quality of Results Reported in USAID Operating Units’ Results Review and Resource Request (R4) Reports prepared in 1997. Report No. 9-000-99-006-P. 5 March.

<sup>4</sup>*Performance & Monitoring Tips*, No. 12.

<sup>5</sup>R4, shorthand for Results Review and Resource Request, is USAID’s process for reporting on its in-country programs and proposing future funding levels.

<sup>6</sup>General Accounting Office Performance and Accountability Series: *Major Management Challenges and Program Risks: Agency for International Development*, January 1999. General Accounting Office/OCG-99-16 USAID Challenges. Washington.





*The reform plan, or “road map,” was drafted in response to requests from USAID staff and partners for a clear statement describing the goals and emphasis of the Agency’s ongoing reform efforts. The Agency Strategic Plan describes the overall mission of USAID and the goals we aim to achieve. The International Affairs Strategic Plan describes how USAID goals and those of other foreign affairs agencies work together to support U.S. national interests. These strategies describe what we do. To remain relevant and succeed, USAID must concentrate increasingly on how we work and look for ways to do our work more efficiently, with more continuous learning and adapting. Following is the vision of how we want to work as we enter the 21st century. This vision summarizes what we hope to achieve through reform.*

Our vision calls for an organization that has USAID’s experience, field presence, and capabilities but that is more consistent, flexible, responsive, and efficient than ever before. Achieving improvements requires organizational transformation from a traditional hierarchy model, in which work is fragmented into specialized tasks and there is intensive use of rules and regulations to specify appropriate action, to a more seamless structure, one that concentrates much more on desired outcomes and allows greater organizational flexibility for achieving them. A common starting point in reforming traditional organizations involves use of explicitly stated core values to guide behavior and decision-making from a higher plane. In this context, core values serve as a broad statement on the behaviors that are sought in a wide range of situations. USAID’s *five core values* (managing for results, customer focus, teamwork and participation, empowerment and accountability, and valuing diversity) are typical of organizations going through such a reform process. They serve as a centerpiece and reference point for all reform efforts.

Institutional reforms are typically introduced in a three-stage process involving design, implementation, and alignment phases. The last phase is considered essential to success, as new systems must be adjusted to one another

to work well. In USAID, the design phase for the reforms occurred during 1994 and 1995, and initial implementation took place during the next two years. Since 1998 the Agency has been engaged in aligning systems and approaches to benefit fully from the reforms. Since organizational reforms throughout the Agency typically require 3 to 10 years to become fully institutionalized, the next 2 to 3 years will be critical to consolidate changes and achieve tangible and lasting performance improvements. If we slow down at this stage, we will be left with an incompatible mix of old and new structures, guidance, and processes. The desired performance improvements will not materialize.

At the *Agencywide level*, reform efforts over the next two years will concentrate on four priority areas: strengthening reform leadership, improving performance of critical Agencywide systems, Washington–field relations, and training.

### ***Strengthening Reform Leadership***

The 1998 stocktaking found a need for strong leadership in promoting reform efforts. Some Agency managers and staff have applied reforms with excellent results. Too many, though, have felt stymied by a sense that the hierarchy

## **Annex**

# **A**

## **USAID 1999–2000 Reform ‘Road Map’**

does not provide adequate support or follow-through. This broadly felt concern is recognized in management literature as a common problem faced by organizations seeking to implement change.

To address this issue, steps are being taken to

- Improve teamwork and decision-making at senior management levels
- Clarify reform leadership
- Recognize and reward executive leadership
- Ensure authoritative interpretation of operational policies and procedures

## Reform Vision

USAID seeks to evolve into a model 21st-century international development agency that has the operational flexibility, technical skills, and institutional strength to meet 21st-century global challenges. This means

- Being dynamic and proactive in addressing both long-term development challenges and shorter term crises that undermine sustained progress
- Selecting the most worthwhile goals, achieving success consistently, and demonstrating our impact
- Being recognized as a highly valued partner by our colleagues in other U.S. foreign affairs agencies, host-country institutions, and public, private, and international donor organizations
- Having a strong and flexible field presence that enables us to devise better programs, implement them more quickly, and avoid costly mistakes
- Applying the lessons of successes and failures systematically, and providing leadership in tackling complex problems that demand multiagency or multidonor responses
- Working more effectively and collaboratively with our implementing partners
- Improving our internal processes so they are more productive, less costly to operate, and much more responsive to the customers they serve, both inside and outside the Agency

## *Improving Agencywide Systems*

In carrying out its work across the globe, USAID depends on seven interrelated management systems that cut across bureau and office boundaries. These are 1) managing for results, 2) funding allocation, 3) acquisition and assistance, 4) funds accounting, 5) work-force management, 6) information management, and 7) policy and procedures guidance. Washington-level reform efforts will continue to concentrate on and better align these systems. The objectives are to reduce cost, improve performance, and promote the core values more consistently, thereby allowing a greater portion of resources to be applied to realizing development results in the field. To achieve this, individuals have been assigned responsibility for overall functioning of each system. Staff and partner feedback will be sought to assess system performance and identify conflicts. Effective teamwork across organizational boundaries will be needed to make improvements.

## ***Improving Washington-Field Relations***

Cultivating results management at the Washington level means shifting emphasis from the traditional input-oriented, second-guessing approach to one led by a sense of shared responsibility for results achievement. With this emphasis, bureaus can concentrate on streamlining and reducing bureaucratic requirements and responding effectively to staffing constraints and other bottlenecks that affect field efforts. Significant coordination issues have been identified with respect to certain central bureau programs and missions. In particular, efforts are under way to *improve Washington-field relations with respect to program and staffing support to missions, information flow and coordination between field and centrally managed programs, and clarification of roles and responsibilities at the field level with respect to the State Department*. While full resolution will depend in part on better information technology (under development), much can be done in the short term simply through better communication among units (formal and informal). Each bureau will develop specific efforts to address these issues.

## ***Intensifying Reform-Related Training***

To be successful, reform efforts require training and learning. The Office of Human Resources, in close collabora-

tion with system experts and practitioners throughout the Agency, is designing and implementing a new Agencywide training program centered on our new planning and management systems. Effort will be made to include partner organizations where useful and appropriate. Portions of this program that specifically relate to reform efforts include 1) a leadership and program operations program and 2) a new competency-based technical program.

At the *operating unit level*, each mission and Washington operating unit is asked to develop its own reform action plan. These plans should aim to promote the reform vision and core values described in the reform road map and concentrate on the following five themes:

- Strengthen strategic objective team functioning
- Improve internal customer services
- Promote results-oriented management that involves partners and customers
- Reduce and update mission notices to reflect strategic objective team structures and core values
- Use staff performance appraisals to encourage reforms and selective reengineering efforts targeted at mission-level processes that need streamlining



For the data in the fiscal year 1999 Agency Performance Report, selection of USAID-funded countries are those listed in the fiscal year 2000 Congressional Presentation table for fiscal year 1998 Actual Obligations. All countries with Development Assistance and Economic Support Funds/Support for East European Democracy funding exceeded the \$500,000 funding limit. That excludes countries listed only under regional or central programs. Countries with PL 480 Title II funding only are listed separately—as are “transition” countries, reported under the Humanitarian Assistance sector.

Table B.1 lists the detailed funding for FY98 Actual Obligations as reported in the fiscal year 2000 Congressional Presentation for the following accounts:

- DA—Development Assistance (includes Development Assistance Fund, Child Survival and Diseases Program (CSD))
- ESF—Economic Support Funds
- SEED—Support for East European Democracy

- NIS—New Independent States of the former Soviet Union
- PL 480—Food for Peace Titles II and III

Tables B.2 and B.3 provide information on country programs reported under each of the Agency strategic objectives. The information was compiled by USAID from the R4 database and from input from various USAID regional and global bureaus.

Table B.2 summarizes the total number of operating units with programs under each of the Agency’s strategic objectives.

Table B.3 is divided into six parts (a–f). Each part corresponds to a specific program sector. For each sector all USAID-assisted countries are listed and a ■ denotes program activity under each objective.

## Annex

# B

### **USAID- Assisted Country List, Bilateral Funding, And Country Programs by Strategic Objectives**



Table B.1. USAID Bilateral Program Funding

Fiscal Year 1998 Actual Obligations, All Funding in \$US Thousands, Population in Thousands.

	DA	ESF	SEED	NIS	Subtotal	PL 480	Total USAID	Population 1998	USAID per capita less PL 480	USAID per capita with PL 480
<b>sub-Saharan Africa</b>										
Angola	14,733	5,297	—	—	20,030	32,736	52,766	12,003	1,669	4,396
Benin	17,048	—	—	—	17,048	2,843	19,891	5,968	2,857	3,333
Congo (Kinshasa)	3,290	—	—	—	3,290	—	3,290	48,215	68	68
Eritrea	12,089	—	—	—	12,089	5,342	17,431	3,879	3,117	4,494
Ethiopia	39,472	—	—	—	39,472	72,788	112,260	61,266	644	1,832
Ghana	30,344	—	—	—	30,344	14,434	44,778	18,460	1,644	2,426
Guinea	17,699	500	—	—	18,199	1,426	19,625	7,083	2,569	2,771
Kenya	24,861	275	—	—	25,136	24,368	49,504	29,295	858	1,690
Liberia	10,818	1,383	—	—	12,201	30,286	42,487	2,969	4,109	14,308
Madagascar	19,895	—	—	—	19,895	7,111	27,006	14,592	1,363	1,851
Malawi	37,050	200	—	—	37,250	—	37,250	10,534	3,536	3,536
Mali	38,698	416	—	—	39,115	3,669	42,784	10,596	3,691	4,038
Mozambique	41,404	650	—	—	42,054	29,231	71,285	16,947	2,482	4,206
Namibia	8,349	—	—	—	8,349	—	8,349	1,662	5,024	5,024
Niger	1,302	—	—	—	1,302	3,374	4,676	10,140	128	461
Nigeria	9,600	—	—	—	9,600	—	9,600	121,257	79	79
Rwanda	11,499	—	—	—	11,499	28,709	40,208	8,105	1,419	4,961
Senegal	18,085	—	—	—	18,085	—	18,085	9,032	2,002	2,002
Somalia	3,600	—	—	—	3,600	8,923	12,523	9,076	397	1,380
South Africa	73,183	—	—	—	73,183	—	73,183	41,320	1,771	1,771
Tanzania	21,692	—	—	—	21,692	10,623	32,315	32,128	675	1,006
Uganda	50,710	—	—	—	50,710	30,997	81,707	20,897	2,427	3,910
Zambia	21,362	—	—	—	21,362	2,244	23,606	9,666	2,210	2,442
Zimbabwe	12,360	55	—	—	12,415	—	12,415	11,689	1,062	1,062

Countries with PL 480 funding only: Burkina Faso, Burundi, Cameroon, Cape Verde, Chad, Côte d'Ivoire, Gambia, Lesotho, Mauritania, Sierra Leone, and Sudan.

Countries with less than \$500,000 in non-PL 480 assistance: Djibouti (\$434,000).

Table B.1. USAID Bilateral Program Funding

Fiscal Year 1998 Actual Obligations, All Funding in \$US Thousands, Population in Thousands.

	DA	ESF	SEED	NIS	Subtotal	PL 480	Total USAID	Population 1998	USAID per capita less PL480	with PL 480
<b>Asia and the Near East</b>										
Bangladesh	59,003	47	—	—	59,050	37,650	96,700	125,629	470	770
Burma (Myanmar)	—	500	—	—	500	—	500	44,413	11	11
Cambodia	500	11,089	—	—	11,589	—	11,589	10,717	1,081	1,081
Egypt	—	827,152	—	—	827,152	1,288	828,440	61,401	13,471	13,492
India	31,720	—	—	—	31,720	94,948	126,668	979,673	32	129
Indonesia	51,833	—	—	—	51,833	46,833	98,666	203,678	254	484
Israel	—	1,200,000	—	—	1,200,000	—	1,200,000	5,971	200,969	200,969
Jordan	—	85,628	—	—	85,628	1,174	86,802	4,563	18,766	19,023
Lebanon	300	14,129	—	—	14,429	—	14,429	4,210	3,427	3,427
Mongolia	4,000	6,936	—	363	11,299	—	11,299	2,584	4,372	4,372
Morocco	18,337	—	—	—	18,337	—	18,337	27,811	659	659
Nepal	26,600	—	—	—	26,600	642	27,242	22,851	1,164	1,192
Philippines	46,639	—	—	—	46,639	—	46,639	75,139	621	621
Sri Lanka	4,698	1,000	—	—	5,698	—	5,698	18,761	304	304
Vietnam	3,442	—	—	—	3,442	—	3,442	77,627	44	44
West Bank–Gaza	—	60,685	—	—	60,685	—	60,685	2,673	22,704	22,704

Countries with PL 480 funding only: Algeria, North Korea, and Pakistan.

Table B.1. USAID Bilateral Program Funding

Fiscal Year 1998 Actual Obligations, All Funding in \$US Thousands, Population in Thousands.

	DA	ESF	SEED	NIS	Subtotal	PL 480	Total USAID	Population 1998	USAID per capita less PL480	more PL 480
<b>Europe and Eurasia</b>										
Albania	—	—	31,353	—	31,353	607	31,960	3,357	9,340	9,521
Armenia	—	—	—	58,151	58,151	—	58,151	3,800	15,303	15,303
Azerbaijan	—	—	—	24,738	24,738	—	24,738	7,651	3,233	3,233
Belarus	—	—	—	3,195	3,195	—	3,195	10,233	312	312
Bosnia–Herzegovina	—	5,000	258,165	—	263,165	14,748	277,913	2,460	106,978	112,973
Bulgaria	—	—	35,796	—	35,796	5,685	41,481	8,243	4,343	5,032
Croatia	—	—	17,258	—	17,258	—	17,258	4,763	3,623	3,623
Georgia	—	—	—	45,401	45,401	—	45,401	5,435	8,354	8,354
Hungary	—	—	9,923	—	9,923	—	9,923	10,116	981	981
Kazakhstan	—	—	—	24,697	24,697	—	24,697	15,705	1,573	1,573
Kyrgyzsta	—	—	—	15,496	15,496	—	15,496	4,698	3,298	3,298
Latvia	—	—	2,728	—	2,728	—	2,728	2,439	1,119	1,119
Lithuania	—	—	6,259	—	6,259	—	6,259	3,697	1,693	1,693
Macedonia	—	—	30,200	—	30,200	—	30,200	2,010	15,026	15,026
Moldova	—	—	—	25,828	25,828	—	25,828	4,298	6,009	6,009
Poland	—	—	35,489	—	35,489	—	35,489	38,666	918	918
Romania	—	—	34,823	—	34,823	—	34,823	22,485	1,549	1,549
Russia	—	—	—	132,090	132,090	—	132,090	146,919	899	899
Slovak Republic	—	—	10,202	—	10,202	—	10,202	5,392	1,892	1,892
Tajikistan	—	—	—	6,021	6,021	4,049	10,070	6,113	985	1,647
Turkey	8,079	—	—	—	8,079	—	8,079	64,732	125	125
Turkmenistan	—	—	—	3,250	3,250	—	3,250	4,718	689	689
Ukraine	—	—	—	156,591	156,591	—	156,591	50,272	3,115	3,115
Uzbekistan	—	—	—	11,881	11,881	—	11,881	24,079	493	493

Countries with PL 480 funding only: FRY (Serbia and Montenegro).

Countries with less than \$500,000 in non-PL 480 assistance: Cyprus (\$46,000).

Table B.1. USAID Bilateral Program Funding

Fiscal Year 1998 Actual Obligations, All Funding in \$US Thousands, Population in Thousands.

	DA	ESF	SEED	NIS	Subtotal	PL 480	Total USAID	Population 1998	USAID per capita less PL 480	more PL 480
<b>Latin America and the Caribbean</b>										
Bolivia	39,763	12,000	—	—	51,763	17,423	69,186	7,949	6,512	8,704
Brazil	16,418	—	—	—	16,418	—	16,418	165,874	99	99
Colombia	19	3,300	—	—	3,319	—	3,319	40,804	81	81
Dominican Republic	11,562	2,500	—	—	14,062	—	14,062	8,254	1,704	1,704
Ecuador	9,943	1,000	—	—	10,943	—	10,943	12,168	899	899
El Salvador	35,753	1,000	—	—	36,753	1,623	38,376	6,058	6,067	6,334
Guatemala	27,359	24,650	—	—	52,009	12,481	64,490	10,800	4,816	5,971
Guyana	2,858	—	—	—	2,858	—	2,858	857	3,334	3,334
Haiti	900	65,052	—	—	65,952	34,908	100,860	7,635	8,638	13,211
Honduras	12,041	—	—	—	12,041	5,114	17,155	6,155	1,956	2,787
Jamaica	12,504	300	—	—	12,804	—	12,804	2,577	4,969	4,969
Mexico	15,299	1,500	—	—	16,799	—	16,799	95,949	175	175
Nicaragua	23,412	1,000	—	—	24,412	5,485	29,897	4,804	5,081	6,223
Panama	3,500	—	—	—	3,500	—	3,500	2,767	1,265	1,265
Paraguay	6,675	500	—	—	7,175	—	7,175	5,208	1,378	1,378
Peru	37,354	14,012	—	—	51,366	56,898	108,264	24,829	2,069	4,360

Countries with PL 480 funding only: none.

**Table B.2. Total Country Participation in Agency Strategic Objectives**

Number of Operating Units With Programs Supporting the Agency SO

SO Description	Africa	ANE	E&E	LAC	OTI	Total
<b>Total Agency</b>	<b>29</b>	<b>16</b>	<b>25</b>	<b>17</b>	<b>3</b>	<b>90</b>
1.1 Critical markets expanded and strengthened	15	10	23	12	—	60
1.2 Rapid/enhanced agricultural development and food security	16	8	11	10	—	45
1.3 Economic opportunity for the poor expanded and made more equitable	14	11	11	10	—	46
2.1 Rule of law/respect for human rights strengthened	12	9	11	15	—	47
2.2 Credible and competitive political processes encouraged	9	4	14	7	—	34
2.3 Development of politically active civil society promoted	23	8	21	12	—	64
2.4 Transparent and accountable government institutions encouraged	20	7	15	12	—	54
3.1 Access to quality basic education	10	4	0	9	—	23
3.2 Higher education institutions contribution to sustainable development	3	1	3	1	—	8
4.1 Unintended and mistimed pregnancies reduced	21	9	13	13	—	56
4.2 Infant and child health and nutrition improved and infant and child mortality reduced	20	12	3	9	—	44
4.3 Death/adverse health outcomes to women as a result of pregnancy reduced	16	9	13	9	—	47
4.4 HIV transmission and the impact of the HIV/AIDS pandemic reduced	20	6	2	13	—	41
4.5 The threat of infectious diseases of major public health importance reduced	17	6	6	7	—	36
5.1 Threat of global climate change reduced	1	5	7	4	—	17
5.2 Biological diversity conserved	9	4	3	11	—	27
5.3 Sustainable urbanization including pollution management promoted	2	7	7	8	—	24
5.4 Use of environmentally sound energy services increased	0	5	10	4	—	19
5.5 Sustainable management of natural resources increased	13	10	7	16	—	46
6.1 Potential impact of crisis reduced	7	0	2	0	2	11
6.2 Urgent needs in times of crisis met	7	1	3	0	2	13
6.3 Security and basic institutions reestablished	5	1	6	1	1	14

**Table B.3a. Economic Growth and Agricultural Development (EGAD)**

USAID Country and Regional Programs With Funding in Fiscal Year 1998

- 1.1. Critical markets expanded and strengthened**
- 1.2. More rapid and enhanced agriculture development and food security**
- 1.3. Access to economic opportunity for the poor expanded and made more equitable**

**sub-Saharan Africa**

	1.1	1.2	1.3
Angola	■		
Benin			
Congo (D.R.C.)			
Eritrea	■	■	■
Ethiopia	■	■	
Ghana	■	■	■
Guinea		■	■
Kenya		■	■
Liberia			
Madagascar	■		■
Malawi	■	■	■
Mali	■	■	■
Mozambique	■	■	■
Namibia			■
Niger			
Nigeria			
Rwanda		■	
Senegal		■	
Somalia			
South Africa	■	■	■
Sudan			
Tanzania	■		■
Uganda		■	■
Zambia	■	■	■
Zimbabwe	■		■
<b>RCSA</b>	■	■	
<b>REDSO/ESA</b>	■	■	
<b>REDSO/WCA</b>			
<b>SahelRegional</b>	■	■	
<b>Africa Total</b>	<b>15</b>	<b>16</b>	<b>14</b>

**Asia and the Near East**

	1.1	1.2	1.3
Bangladesh		■	■
Burma			
Cambodia			■
Egypt	■	■	
India			
Indonesia	■		■
Israel			
Jordan	■		■
Lebanon	■	■	■
Mongolia	■	■	■
Morocco	■	■	■
Nepal	■	■	■
Philippines	■	■	■
Sri Lanka	■		■
Vietnam			
West Bank–Gaza	■	■	■
<b>ANE Total</b>	<b>10</b>	<b>8</b>	<b>11</b>

**Europe and Eurasia**

	1.1	1.2	1.3
Albania	■	■	
Armenia	■	■	
Azerbaijan	■	■	■
Belarus	■		■
Bosnia			
Bulgaria	■	■	■
Croatia	■		■
Georgia	■	■	
Hungary	■		■
Kazakhstan	■		
Kyrgyzstan	■		
Latvia	■		
Lithuania	■		
Macedonia	■	■	
Moldova	■	■	
Poland	■		■
Romania	■	■	■
Russia	■	■	■
Slovak Republic	■		■
Tajikistan	■	■	■
Turkey			
Turkmenistan	■		
Ukraine	■	■	■
Uzbekistan	■		
<b>Central Asia Reg.</b>	■		
<b>E&amp;E Total</b>	<b>23</b>	<b>11</b>	<b>11</b>

**Latin America and the Caribbean**

	1.1	1.2	1.3
Bolivia	■	■	■
Brazil			■
Colombia		■	
Dominican Rep.	■		
Ecuador	■		■
El Salvador	■	■	■
Guatemala	■	■	■
Guyana		■	
Haiti	■	■	
Honduras	■	■	■
Jamaica	■	■	■
Mexico			
Nicaragua		■	■
Panama	■		
Paraguay			
Peru	■	■	■
<b>G/CAP</b>	■		
<b>LACTotal</b>	<b>12</b>	<b>10</b>	<b>10</b>
<b>USAID Total</b>	<b>60</b>	<b>45</b>	<b>46</b>

Note: This table shows operating units with results frameworks in support of the EGAD goal and Agency objectives. The numbers of results frameworks may be different since some operating units may have more than one EGAD results framework, and some of the operating units' results frameworks may support more than one agency goal or objective.



**Table B.3b. Democracy and Governance (DG)**

USAID Country and Regional Programs With Funding in Fiscal Year 1998

- 2.1. Rule of law and respect for human rights of women as well as men strengthened**
- 2.2. Credible and competitive political processes encouraged**
- 2.3. Development of politically active civil society promoted**
- 2.4. More transparent and accountable government institutions encouraged**

**sub-Saharan Africa**

	2.1	2.2	2.3	2.4
Angola	■		■	■
Benin		■	■	■
Congo (D.R.C.)				
Eritrea	■		■	■
Ethiopia	■		■	■
Ghana			■	■
Guinea		■	■	■
Kenya		■	■	
Liberia	■	■	■	■
Madagascar	■		■	■
Malawi	■	■	■	■
Mali			■	■
Mozambique	■	■	■	■
Namibia			■	■
Niger				
Nigeria			■	
Rwanda	■		■	■
Senegal			■	■
Somalia				
South Africa	■	■	■	■
Sudan				
Tanzania	■		■	■
Uganda	■		■	■
Zambia	■	■	■	■
Zimbabwe			■	■
<b>RCSA</b>		■	■	
<b>REDSO/ESA</b>				
<b>REDSO/WCA</b>				
<b>Sahel Regional</b>			■	■
<b>Africa Total</b>	<b>12</b>	<b>9</b>	<b>23</b>	<b>20</b>

**Asia and the Near East**

	2.1	2.2	2.3	2.4
Bangladesh	■	■	■	■
Burma				
Cambodia	■	■	■	
Egypt	■		■	■
India	■			
Indonesia		■	■	■
Israel				
Jordan				
Lebanon				■
Mongolia	■	■	■	■
Morocco				
Nepal	■		■	
Philippines	■		■	■
Sri Lanka	■			
Vietnam				
West Bank–Gaza	■		■	■
<b>ANE Total</b>	<b>9</b>	<b>4</b>	<b>8</b>	<b>7</b>

**Europe and Eurasia**

	2.1	2.2	2.3	2.4
Albania	■	■	■	■
Armenia	■	■	■	■
Azerbaijan			■	
Belarus	■	■	■	
Bosnia				
Bulgaria	■		■	■
Croatia	■	■	■	
Georgia	■	■	■	■
Hungary			■	■
Kazakhstan		■	■	■
Kyrgyzstan		■	■	■
Latvia				
Lithuania			■	
Macedonia		■	■	■
Moldova			■	■
Poland		■	■	■
Romania	■		■	■
Russia	■	■	■	
Slovak Republic	■	■	■	■
Tajikistan	■	■	■	■
Turkey				
Turkmenistan			■	
Ukraine	■	■	■	■
Uzbekistan		■	■	■
<b>Central Asia Reg.</b>				
<b>E&amp;E Total</b>	<b>11</b>	<b>14</b>	<b>21</b>	<b>15</b>

**Latin America and the Caribbean**

	2.1	2.2	2.3	2.4
Bolivia	■		■	■
Brazil	■		■	
Colombia	■		■	
Dominican Rep.	■	■	■	■
Ecuador	■		■	■
El Salvador	■	■	■	■
Guatemala	■		■	■
Guyana	■	■		■
Haiti	■	■		■
Honduras	■		■	■
Jamaica				
Mexico	■		■	■
Nicaragua	■	■	■	■
Panama	■			
Paraguay	■	■	■	■
Peru	■	■	■	■
<b>G/CAP</b>				
<b>LACTotal</b>	<b>15</b>	<b>7</b>	<b>12</b>	<b>12</b>
<b>USAID Total</b>	<b>47</b>	<b>34</b>	<b>64</b>	<b>54</b>

Note: This table shows operating units with results frameworks in support of the DG goal and Agency objectives. The numbers of results frameworks may be different since some operating units may have more than one DG results framework, and some of the operating units' results frameworks may support more than one agency goal or objective.

**Table B.3c. Human Capacity Development (HCD)**  
 USAID Country and Regional Programs With Funding in Fiscal Year 1998

**3.1. Access to quality basic education, especially for girls and women, expanded**  
**3.2. Contribution of institutions of higher education to sustainable development increased**

**sub-Saharan Africa**

	3.1	2.2
Angola		
Benin	■	
Congo (D.R.C.)		
Eritrea		
Ethiopia	■	■
Ghana	■	
Guinea	■	
Kenya		
Liberia		
Madagascar		
Malawi	■	
Mali	■	
Mozambique		
Namibia	■	■
Niger		
Nigeria		
Rwanda		
Senegal		
Somalia		
South Africa	■	■
Sudan		
Tanzania		
Uganda	■	
Zambia	■	
Zimbabwe		
<b>RCSA</b>		
<b>REDSO/ESA</b>		
<b>REDSO/WCA</b>		
<b>Sahel/Regional</b>		
<b>Africa Total</b>	<b>10</b>	<b>3</b>

**Asia and the Near East**

	3.1	3.2
Bangladesh		
Burma		
Cambodia		
Egypt	■	■
India	■	
Indonesia		
Israel		
Jordan		
Lebanon		
Mongolia		
Morocco	■	
Nepal	■	
Philippines		
Sri Lanka		
Vietnam		
West Bank–Gaza		
<b>ANE Total</b>	<b>4</b>	<b>1</b>

**Europe and Eurasia**

	3.1	3.2
Albania		■
Armenia		
Azerbaijan		
Belarus		
Bosnia		
Bulgaria		■
Croatia		
Georgia		
Hungary		■
Kazakhstan		
Kyrgyzstan		
Latvia		
Lithuania		
Macedonia		
Moldova		
Poland		
Romania		
Russia		
Slovak Republic		
Tajikistan		
Turkey		
Turkmenistan		
Ukraine		
Uzbekistan		
<b>Central Asia Reg.</b>		
<b>E&amp;E Total</b>	<b>0</b>	<b>3</b>

**Latin America and the Caribbean**

	3.1	3.2
Bolivia	■	
Brazil	■	
Colombia		
Dominican Rep.		
Ecuador		
El Salvador	■	
Guatemala	■	■
Guyana		
Haiti	■	
Honduras	■	
Jamaica	■	
Mexico		
Nicaragua	■	
Panama		
Paraguay		
Peru	■	
<b>G/CAP</b>		
<b>LACTotal</b>	<b>9</b>	<b>1</b>
<b>USAID Total</b>	<b>23</b>	<b>8</b>

*Note:* This table shows operating units with results frameworks in support of the HCD goal and Agency objectives. The numbers of results frameworks may be different since some operating units may have more than one HCD results framework, and some of the operating units' results frameworks may support more than one agency goal or objective.

**Table B.3d. Population, Health, and Nutrition (PHN)**  
 USAID Country and Regional Programs With Funding in Fiscal Year 1998

- 4.1. Unintended and mistimed pregnancies reduced
- 4.2. Infant and child health and nutrition improved and infant and child mortality reduced
- 4.3. Death and adverse health outcomes to women as a result of pregnancy and childbirth reduced
- 4.4. HIV transmission and the impact of the HIV/AIDS pandemic reduced
- 4.5. The threat of infectious diseases of major public health importance reduced

**sub-Saharan Africa**

	4.1	4.2	4.3	4.4	4.5
Angola					■
Benin	■	■		■	■
Congo (D.R.C.)					■
Eritrea	■	■	■	■	■
Ethiopia	■	■		■	■
Ghana	■	■	■	■	■
Guinea	■	■	■		
Kenya	■	■	■	■	■
Liberia					■
Madagascar	■	■		■	■
Malawi	■	■	■	■	■
Mali	■	■	■	■	■
Mozambique	■	■	■	■	■
Namibia					
Niger					
Nigeria	■	■	■	■	
Rwanda	■	■	■	■	■
Senegal	■	■	■	■	
Somalia					
South Africa	■	■	■	■	■
Sudan					
Tanzania	■	■	■	■	■
Uganda	■	■	■	■	
Zambia	■	■	■	■	■
Zimbabwe	■	■		■	
<b>RCSA</b>					
<b>REDSO/ESA</b>	■	■	■	■	■
<b>REDSO/WCA</b>	■	■	■	■	■
<b>Sahel/Regional</b>	■			■	

**Africa Total**    21   20   16   20   17

**Asia and the Near East**

	4.1	4.2	4.3	4.4	4.5
Bangladesh	■	■	■	■	■
Burma		■			
Cambodia	■	■	■	■	
Egypt	■	■	■		■
India	■	■	■	■	■
Indonesia	■	■	■	■	■
Israel					
Jordan	■				
Lebanon		■			
Mongolia					
Morocco	■	■	■		
Nepal	■	■	■	■	■
Philippines	■	■	■	■	■
Sri Lanka		■			
Vietnam		■			
West Bank–Gaza			■		

**ANE Total**    9   12   9   6   6

Laos is expected to have a program under SO 4.2. However, it was not included in the standard USAID-assisted list because no actual obligated funds existed for fiscal year 1998. There is an estimated funding in FY99 of \$2.3 million.

**Europe and Eurasia**

	4.1	4.2	4.3	4.4	4.5
Albania	■	■	■		
Armenia	■		■		
Azerbaijan					
Belarus	■				
Bosnia					
Bulgaria					
Croatia					
Georgia	■		■		■
Hungary					
Kazakhstan	■		■		■
Kyrgyzstan	■		■		■
Nepal					
Lithuania					
Macedonia					
Moldova	■		■		
Poland					
Romania	■	■	■	■	
Russia	■		■	■	■
Slovak Republic		■	■		
Tajikistan			■		
Turkey	■				
Turkmenistan	■		■		■
Ukraine	■		■		
Uzbekistan	■		■		■
<b>Central Asia Reg.</b>					

**E&E Total**    13   3   13   2   6

**Latin America and the Caribbean**

	4.1	4.2	4.3	4.4	4.5
Bolivia	■	■	■	■	■
Brazil	■	■		■	
Colombia					
Dominican Rep.	■		■	■	■
Ecuador	■	■	■		
El Salvador	■	■	■	■	■
Guatemala	■	■	■	■	
Guyana				■	
Haiti	■	■	■	■	■
Honduras	■	■	■	■	■
Jamaica	■			■	
Mexico	■			■	
Nicaragua	■	■	■	■	■
Panama					
Paraguay	■				
Peru	■	■	■	■	■
<b>G/CAP</b>				■	

**LACTotal**    13   9   9   13   7

**USAID Total**    56   44   47   41   36

Note: This table shows operating units with results frameworks in support of the PHN goal and Agency objectives. The numbers of results frameworks may be different since some operating units may have more than one PHN results framework, and some of the operating units' results frameworks may support more than one agency goal or objective.

**Table B.3e. Environment (ENV)**

USAID Country and Regional Programs With Funding in Fiscal Year 1998

- 5.1. Threat of global climate change reduced
- 5.2. Biological diversity conserved
- 5.3. Sustainable urbanization including pollution management promoted
- 5.4. Use of environmentally sound energy services increased
- 5.5. Sustainable management of natural resources increased

**sub-Saharan Africa**

	5.1	5.2	5.3	5.4	5.5
Angola					
Benin					
Congo (D.R.C.)					
Eritrea					
Ethiopia					
Ghana					
Guinea					■
Kenya		■			■
Liberia					
Madagascar		■			■
Malawi		■			■
Mali					
Mozambique					
Namibia		■			■
Niger					
Nigeria					
Rwanda					
Senegal		■			■
Somalia					
South Africa			■		
Sudan					
Tanzania	■	■			■
Uganda		■			■
Zambia					■
Zimbabwe		■	■		■
<b>RCSA</b>					■
<b>REDSO/ESA</b>		■			■
<b>REDSO/WCA</b>					
<b>Sahel/Regional</b>					■
<b>Africa Total</b>	<b>1</b>	<b>9</b>	<b>2</b>	<b>0</b>	<b>13</b>

**Asia and the Near East**

	5.1	5.2	5.3	5.4	5.5
Bangladesh					■
Burma					
Cambodia					
Egypt	■	■	■	■	■
India	■		■	■	
Indonesia	■	■	■	■	■
Israel					
Jordan			■		■
Lebanon			■		■
Mongolia					■
Morocco			■		■
Nepal	■	■		■	■
Philippines	■	■		■	■
Sri Lanka					
Vietnam					
West Bank–Gaza			■		■
<b>ANE Total</b>	<b>5</b>	<b>4</b>	<b>7</b>	<b>5</b>	<b>10</b>

**Europe and Eurasia**

	5.1	5.2	5.3	5.4	5.5
Albania					■
Armenia				■	
Azerbaijan					
Belarus					
Bosnia					
Bulgaria		■	■		■
Croatia					
Georgia				■	■
Hungary					
Kazakhstan	■				
Kyrgyzstan					
Latvia				■	
Lithuania				■	
Macedonia					
Moldova				■	
Poland	■		■		
Romania	■		■	■	■
Russia	■	■	■	■	■
Slovak Republic	■		■	■	
Tajikistan					
Turkey					
Turkmenistan					
Ukraine	■	■	■	■	■
Uzbekistan					
<b>Central Asia Reg.</b>	<b>7</b>	<b>3</b>	<b>7</b>	<b>10</b>	<b>7</b>

**Latin America and the Caribbean**

	5.1	5.2	5.3	5.4	5.5
Bolivia		■	■		■
Brazil	■	■		■	■
Colombia		■			■
Dominican Rep.			■	■	■
Ecuador		■			■
El Salvador			■		■
Guatemala		■			■
Guyana					
Haiti	■		■		■
Honduras		■			■
Jamaica			■		■
Mexico	■	■		■	■
Nicaragua		■			■
Panama		■			■
Paraguay					■
Peru		■	■		■
<b>G/CAP</b>	<b>4</b>	<b>11</b>	<b>8</b>	<b>4</b>	<b>16</b>
<b>LACTotal</b>	<b>4</b>	<b>11</b>	<b>8</b>	<b>4</b>	<b>16</b>
<b>USAID Total</b>	<b>17</b>	<b>27</b>	<b>24</b>	<b>19</b>	<b>46</b>

Note: This table shows operating units with results frameworks in support of the ENV goal and Agency objectives. The numbers of results frameworks may be different since some operating units may have more than one ENV results framework, and some of the operating units' results frameworks may support more than one agency goal or objective.

**Table B.3f. Humanitarian Assistance (HA)**

USAID Country and Regional Programs With Funding in Fiscal Year 1998

- 6.1. Potential impact of crisis reduced
- 6.2. Urgent needs in times of crisis met
- 6.3. Security and basic institutions reestablished

**sub-Saharan Africa**

	6.1	6.2	6.3
Angola		■	■
Benin			
Congo (D.R.C.)			
Eritrea			
Ethiopia	■	■	
Ghana			
Guinea			
Kenya	■	■	
Liberia			■
Madagascar			
Malawi			
Mali			
Mozambique			
Namibia			
Niger			
Nigeria			
Rwanda			■
Senegal			
Somalia	■	■	■
South Africa			
Sudan	■	■	■
Tanzania	■	■	
Uganda		■	
Zambia			
Zimbabwe			
<b>RCSA</b>			
<b>REDSO/ESA</b>	■		
<b>REDSO/WCA</b>			
<b>Sahel/Regional</b>	■		
<b>Africa Total</b>	<b>7</b>	<b>7</b>	<b>5</b>

**Asia and the Near East**

	6.1	6.2	6.3
Bangladesh			
Burma			
Cambodia			
Egypt			
India			
Indonesia		■	
Israel			
Jordan			
Lebanon			
Mongolia			
Morocco			
Nepal			
Philippines			
Sri Lanka			■
Vietnam			
West Bank–Gaza			
<b>ANE Total</b>	<b>0</b>	<b>1</b>	<b>1</b>

**Europe and Eurasia**

	6.1	6.2	6.3
Albania			
Armenia	■	■	■
Azerbaijan			■
Belarus			
Bosnia			
Bulgaria			
Croatia			■
Georgia	■	■	■
Hungary			
Kazakhstan			
Kyrgyzstan			
Latvia			
Lithuania			
Macedonia			
Moldova			
Poland			
Romania			
Russia			
Slovak Republic			
Tajikistan		■	■
Turkey			
Turkmenistan			
Ukraine			■
Uzbekistan			
<b>Central Asia Reg.</b>			
<b>E&amp;E Total</b>	<b>2</b>	<b>3</b>	<b>6</b>

**Latin America and the Caribbean**

	6.1	6.2	6.3
Bolivia			
Brazil			
Colombia			
Dominican Rep.			
Ecuador			
El Salvador			
Guatemala			■
Guyana			
Haiti			
Honduras			
Jamaica			
Mexico			
Nicaragua			
Panama			
Paraguay			
Peru			
<b>G/CAP</b>			
<b>LAC Total</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>Bureau for Humanitarian Relief</b>			
Food for Peace	■	■	
OFDA	■	■	
OTI			■
<b>BHR Total</b>	<b>2</b>	<b>2</b>	<b>1</b>
<b>USAID Total</b>	<b>11</b>	<b>13</b>	<b>14</b>

Note: This table shows operating units with results frameworks in support of the HA goal and Agency objectives. The numbers of results frameworks may be different since some operating units may have more than one HA results framework, and some of the operating units' results frameworks may support more than one agency goal or objective.

In late 1998, the Bureau for Policy and Program Coordination's Center for Development Information and Evaluation (CDIE) examined USAID's database to determine how Agency evaluations have been influenced by reengineering guidelines that affected how and why operating units are to conduct evaluations. According to new USAID guidance, evaluations were no longer mandatory. Instead they would be driven by management's need, would assess the impact of Agency programs, and would reinforce local ownership by integrating the experiences of partners and various beneficiaries of the projects into evaluations. An analysis of evaluations for fiscal years 1997–98 revealed that over the last few previous years, both the overall number and different types of evaluations appeared to be declining rapidly.

More important, the assessment attempted to assess the evaluations conducted in those years in light of the requirements of the new guidance. The analysis found that external factors, rather than internal management needs, were usually the impetus for evaluations of the operating units. For the most part, shortages in resources or personnel—or other operational requirements that required a change in program activity to achieve objectives—drove these evaluations.

There were relatively few Impact Evaluations—reports that emphasize specific activities and their outputs and results (or intermediate results) in trying to meet strategic objectives of either USAID/Washington or Agency missions. These types of assessments represent a relatively new approach for USAID. Neither the methodology nor the requirements for these evaluations are clear. The requirements are not fully

understood within the Agency. Many evaluations (rather than looking at higher level results or strategic objectives) simply defined *impact* as meeting project outputs.

The final change in the guidance—that evaluations should be participatory in both design and implementation—required a more participatory approach to evaluation. While several evaluations were conducted that were jointly sponsored by more than one agency, donor, or partner, their involvement in the design was less apparent than their participation in the implementation. Most evaluations used a rapid appraisal methodology. Many of the reports stated that the comments of partners and others were incorporated into the final project report.

Following these findings, USAID is currently contracting for a more complete analysis of the status of evaluations of its operating units and attempting to develop “best practices” in this area. Further, the Agency is reviewing its Automated Directive System to determine what revisions need to be made in USAID guidance. CDIE is participating in both international forums and country-level evaluations to develop and refine both the methodology and requirements for Impact Evaluations.

## ***CDIE Central Evaluation Findings***

### **Background**

Each year, USAID's central evaluation office, CDIE/Program and Operations Assessment (POA), attempts to identify and analyze the Agency's highest priority (or state-of-the-art) issues. The analysis is designed to develop future

## **Annex**

# **C**

## **Status of Agency Evaluations**



USAID policies and strategies. Central evaluations also provide operating units (missions and regional bureaus) with lessons learned and guidance for future strategic and programmatic directions. This past year the evaluations have concentrated on certain themes: 1) capital markets, 2) emergency and humanitarian assistance, 3) enterprise funds, and 4) graduation from USAID assistance.

The most important evaluation findings are summarized in this annex.

## Capital Markets

CDIE/POA is currently studying USAID projects for promoting capital markets development. The purpose of the study is to examine the effectiveness of Agency assistance and draw conclusions about the importance of such assistance for USAID sustainable development goals. There are three basic questions:

- Can USAID do capital markets projects well?
- If so, do capital markets projects spur economic growth?
- Who benefits from the growth produced by such projects?

CDIE-led teams have carried out fieldwork to review recent USAID-funded capital markets projects in **India, Kenya, Romania, and the Philippines**. Also, a CDIE researcher has written a case study of an earlier Agency capital markets development effort: creation of investment banks in Central America in the 1960s.

The series has prompted five propositions:

1. Capital markets development cannot be left to market forces. There is a dimension of what is in the public good. Market intermediaries are likely to create monopolistic arrangements that lead to high transactions costs, an atmosphere permissive of self-dealing and rigged transactions, and insufficient flow of information to potential investors.
2. Donor support for strengthening the regulatory framework and institutions is a much more promising avenue than direct support of individual firms or investment houses.
3. A regulatory framework modeled on the U.S. system is appropriate for developing countries, though some countries may still prefer a model based on government approval rather than on disclosure of relevant circumstances. USAID can identify and contract for appropriate expertise to transfer the U.S. technology.
4. Capital markets projects are unlikely to stimulate economic growth where economic conditions are unfavorable. Inflation, large government deficits, and uncertainty about the path of future government policies all deter investment. Capital markets reforms will not produce growth in a stagnant economy. Rather, such projects are best suited to rapidly growing economies where existing capital structures are limiting investment and where firms are actively interested in additional financing.

5. In the longer term, creation of long-term debt markets is essential to reducing risk of financial crisis, such as the recent Asian experience. This will require improvements in government policy to eliminate inflationary expectations and reduce crowding out by government. Long-term finance for infrastructure has great potential for promoting growth, and innovations in debt markets can support this objective.

## Emergency and Humanitarian Assistance

Complex humanitarian emergencies are by their nature multifaceted and involve many actors. The relief interventions are often undertaken in a context beyond the control of the implementing agencies.

Until recently, there was no standard methodology for evaluating emergency and humanitarian assistance. Some have likened this to “methodological anarchy.” Nevertheless, it is possible to assess the impact of humanitarian assistance on vulnerable populations to some degree and to shed light on the relationship between emergency assistance and political and development processes at work.

CDIE/POA has recently reviewed USAID humanitarian assistance efforts that followed war and social upheaval in **Haiti, Mozambique, and Rwanda.** In all three countries, extreme poverty and a highly skewed distribution of income and wealth contributed to the need for emergency aid. Civilians in each country suffered widespread and systematic human rights abuses.

Donors, including USAID, responded with increased emergency assistance,

both food and nonfood (water, seed, medical supplies, farming tools). Non-governmental organizations were the main implementers of the humanitarian response. In Haiti the international community was feeding 1.3 million people (one in seven Haitians) each day, with the United States providing 68 percent of the food. In Mozambique an estimated one third of the population of 16 million depended on food aid for 60 to 70 percent of their food needs in 1989; again, the United States provided about 60 percent of total food aid during 1987–95. In Rwanda about 1.3 million beneficiaries received emergency food aid in 1996–97.

What were the results? The assessment concluded that emergency assistance programs funded by USAID and implemented by American NGOs clearly helped save lives and alleviate suffering—which, after all, is their overarching objective.

But distributing relief supplies was a problem to some extent in all three countries. Food aid, in particular, was highly valued and became a source of violent competition—not only for its value as food but also as a source of political power for those controlling access. There were reports of corruption, theft, and political or personal favoritism in food aid distribution. And target populations did not always receive timely and sufficient food. NGOs addressed these problems with varying degrees of success.

While no aid is apolitical, humanitarian assistance in particular can result in substantial and unpredictable political effects, since it is provided in the context of conflict. Though designed to relieve suffering and promote peace, it sometimes inadvertently fuels, sustains, or

exacerbates complex emergencies by making more resources available to warring parties. This is because aid does not only keep people alive in a political vacuum but also affects the local power structure and environment in which it is given.

The notion that relief assistance can be made more developmental in the context of ongoing armed conflicts is problematic. Unlike with natural disasters, with complex emergencies there is no institutional framework to provide physical security and political stability—both of which are necessary preconditions for economic development. On the contrary, complex emergencies are often characterized by a total breakdown of state institutions and social and economic structures.

The CDIE assessment offers four management-oriented recommendations:

*Monitoring and evaluation.* Establish a central monitoring and data collection unit to serve all donors during the early weeks of a complex emergency.

*Adverse political consequences.* Be alert to potential undesirable political or social effects that relief aid may cause.

*Reducing dependency.* Give refugees incentives to return home; impose disincentives on those remaining outside their country of origin.

*Capacity building.* Train technocrats to manage the postconflict economic transition, and train others in skills for which there is employment demand.

Finally, however one assesses the effectiveness of humanitarian assistance in response to complex emergencies, one point cannot be emphasized too strongly. It is far better to prevent complex emergencies from occurring in the first place than to respond to victims' needs afterward.

## Enterprise Funds

With the end of the Cold War, the United States was presented with a novel development challenge: helping former Soviet-bloc nations move from a centrally planned economy to a market economy. Addressing this task, President Bush proposed a new concept, enterprise funds—nonprofit corporations that would use a U.S. government grant to make equity investments and loans to medium-size and small enterprises. The funds would be managed by private individuals with extensive business or country experience. They would seek to stimulate the growth of the private sector in a specific country or region.

Four enterprise funds in eastern Europe—one **Polish**, one **Hungarian**, one for what then was **Czechoslovakia**, and one **Bulgarian**—have been operating for more than eight years. Despite a mixed record, the early funds probably played a key role in the early days of the transition from communism to market economies. They demonstrated U.S. support for private sector development and, in the case of the Polish fund, helped shape that transition. They also made many good investments in emerging companies and helped them grow. And they helped catalyze the interest of private investors in eastern Europe.

Seven other enterprise funds are newer, with between five and six years of operation, and so provide a more limited base on which to judge their eventual success. The newer funds have uniformly been much slower in making investments than the early funds, so most of their results are still in the future. In their first 42 months of operation the eight newest funds disbursed only 24 percent of their capital for investments, compared with 60 percent for the first three funds during an equivalent period. The newer funds also have found the costs of operation to be much higher than did the early funds.

Enterprise funds began as an ad hoc response to the specific situation posed in 1989 by the impending transition to market economies by Hungary and Poland. They have subsequently been used to promote the private sector in quite different circumstances. This has moved funds from a situation in which they were a creative and potentially highly effective tool to one in which they have found greater difficulties finding a proper niche. It has also raised the question of whether enterprise funds in these countries have an incentive structure appropriate to the longer term problems they now face.

## **USAID Graduation**

Despite years of graduating countries from its assistance, USAID does not have a policy or uniform process as to how or when to graduate countries. On the contrary, there appears to be an institutional bias against graduating countries. Graduation appears to be

based more on budgetary or political factors. CDIE reviewed the Agency's experience with concluding concessional assistance to a country or a sector once it is regarded as no longer needing support. The study posed two questions:

- When is a USAID-supported country ready for graduation?
- How should the Agency structure, manage, and implement a country graduation?

The study suggests USAID does not have a policy on when or how to graduate countries from assistance. The bias the Agency seems to have against ever graduating countries may explain the lack of a graduation policy. A CDIE analysis of USAID's ad hoc measures to graduate countries concluded the following:

- Graduation decisions are confounded with budget decisions to the detriment of clear thinking and planning. A transition strategy requires careful planning and is labor intensive. A short-term decision based on budgetary imperatives abrogates this process. The Agency has made these decisions based on budget or political considerations rather than on predefined policy.
- Socioeconomic indicators are useful to identify graduation candidates. Any reasonable set of indicators will identify the same set of countries as graduation candidates. While institutional capacity in less developed countries is important, it is

difficult to design an appropriate institutional indicator.

- Secretive deliberations about graduation plans can backfire. A transparent and collaborative decision-making process would improve stakeholder awareness and involvement and allow attention to focus on improving institutional capacity in less developed countries. Graduation planning requires sufficient lead-time for the development of a strategy and implementation of a transition plan. A clear understanding between USAID/Washington and the mission regarding the requirements of the transition strategy and the lead-time is essential. The host government needs to be an integral part of the planning. When host governments do not receive a clear message from USAID leadership regarding the transition, there are likely to be

tensions and misunderstandings.

The plan must also give attention to the institutional capacity of the private sector and nongovernmental organizations as well as public sectors.

- A graduation plan should specify the rationale and nature of the post-assistance relationship. In addition to institutional and legal issues, some relationships have significant resource demands (funding an endowment or maintaining a development attaché in an embassy).

The evaluations and reports conducted by the General Accounting Office and the Office of the Inspector General are discussed in the Agency's goal *Keep USAID a Premier Development Agency*, in chapter 7.

In September 1997, USAID completed its first Strategic Plan. In the plan, the Agency identified 6 strategic development goals, with 22 contributing objectives, for guiding its work in the developing world (see figure 1).<sup>1</sup>

The Strategic Plan also selected a limited number of performance goals and indicators to track and report on progress in each of the six goal areas. Performance goals translate the Agency's goals into specific long-term targets or trends to be achieved by USAID and its development partners over the next decade or more.<sup>2</sup> Matrix 1 lists these Agency performance goals and indicators and relates each to the appropriate Agency goal and (where possible) objective.<sup>3</sup> These performance goals and indicators are largely consistent with development targets and indicators established in *Shaping the 21st Century: The Role of Development Cooperation* (May 1996), a publication of the Development Assistance Committee of the Organization for Economic Cooperation and Development (DAC/OECD).

These broad development goals and targets can be viewed as a framework that concentrates the efforts of the development assistance community on a number of significant challenges and motivates us to make a difference. USAID has expended considerable effort to achieve wide consensus on this framework. To date, major elements of

the framework have been largely adopted by DAC/OECD and have been the subject of G-8 discussions, most recently at the Birmingham Summit. The framework increasingly represents group agreement. It also highlights the necessity of working collaboratively—with other donors, implementing partners, host governments, and the ultimate beneficiaries themselves—if these strategic goals and targets are to be achieved.

The framework informs strategic choices. Analyzing how countries and regions compare with the framework's goals and targets suggests where and on which specific sectors the Agency might direct its efforts. For example, resource allocations among countries might be influenced by indicator data showing comparative need and progress. Similarly, such data can inform decisions on when countries might graduate from sectoral assistance by demonstrating they have met or surpassed specific thresholds, benchmarks, or targets.

The framework is less useful for reporting outputs and immediate results directly attributable to USAID expenditures and activities. Clearly, the challenging performance goals established in the Strategic Plan require the collaborative efforts of the whole development community and cannot be accomplished by USAID alone.

## Annex

# D

## Country Development Trends

<sup>1</sup>There is also one management goal, which is discussed in chapter 7. It is not covered in this annex.

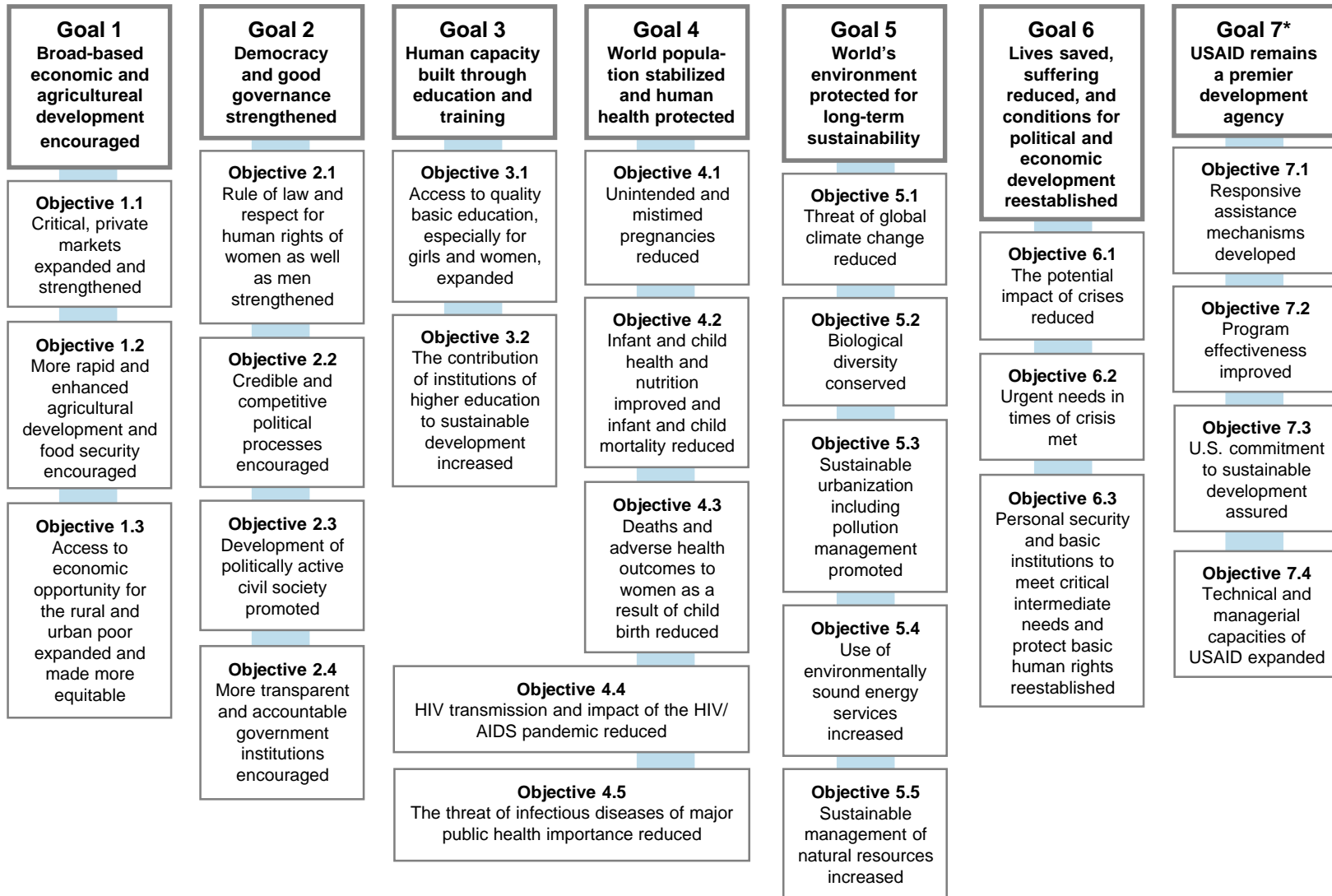
<sup>2</sup>These performance goals and indicators have been revised and refined in the USAID Annual Performance Plan for FY00 (28 February 1999). This annex has incorporated these changes. Further adjustments were made in the FY01 APP based on more recent analyses of data baselines, data availability, and historical trends.

<sup>3</sup>At this time, not all Agency objectives have performance goals and indicators associated with them. Over time, as quality indicators and data sources are identified, progress toward all Agency objectives should be measured, monitored, and reported.



Figure D.1. USAID Strategic Plan

1997–2007



\*Goal 7 objectives have been subsequently revised.

USAID has developed a country development trends database with time-series data for each of these indicators for all countries. It is posted on the Agency Web site at <http://www.info.usaid.gov>. The database (the source of the tables presented in this annex) seeks to monitor, analyze, and report on country development progress and trends in the six Agency goal areas. The database provides easy access by Agency users, giving them options for graphics, data analysis, and tables for reporting on performance. To aid comparative analysis, the database includes data not only for all USAID-assisted countries but also for non-USAID-assisted developing countries and for high-income countries as well. Data are from international sources that are relatively comparable across time and countries.

Although considerable care has gone into selecting these indicators and searching for reliable data sources, problems remain with data quality, coverage, and timeliness. Some of the indicators are at best proxy (indirect) measures for their performance goals. Country coverage is spotty for a number of the indicators—for example, those reporting on poverty, education, and refugee conditions. A lack of regular and timely data updates is another common problem with many of these indicators. Data may be collected only every few years for some indicators and are often two to three years out of date.

Matrix 1 presents the Agency goals and their indicators, organized into the six Agency development goal areas. Where possible, they are also organized according to the specific Agency objective to which they most closely relate. In some cases, a performance goal and indicator can be associated only with an Agency

goal, not with a specific objective. Moreover, not all Agency objectives have performance goals and indicators related to them. As work on the framework progresses, this will be rectified. Matrix 1 is based on the Agency Strategic Plan for 1997–2007 and on revisions made in the Annual Performance Plan for FY00.

### **The Statistical Annex Tables**

Each of the six goal areas consists of a summary table and tables reporting statistical data for USAID-assisted countries in each of the four Agency bureaus.

The summary table shows country aggregations or averages based on the specific indicator being measured. Summary data may be weighted or unweighted, depending on the indicator. For weighted averages, each country's indicator value is assigned a respective weight appropriate for that specific indicator. For example, country rates for maternal mortality are assigned weights using the number of live births for that country. Brazil's rate would therefore affect the aggregated rate owing to the relatively high level of births in Brazil versus countries with smaller numbers of births.

The indicators used for calculating weighted aggregates are identified in the goal area table notes. Other summary data are unweighted, calculated as straight averages that assign equal weight to all reporting countries. For a few indicators (total land area under national protection, total forest area, and total number of people displaced by open conflict) aggregates are simply totals of the country data and are, by definition, weighted.

Because of missing data, what is reported in the summary tables should be taken as approximations.

A number of the indicators are growth rates, calculated as annual averages and presented as percentages. Where possible, currency value growth rates are computed from constant price or real value series. In most cases, growth rates are calculated by a least-squares recession analysis. Population growth rates are calculated with an exponential growth rate regression analysis.

### **Definitions of Summary Table Aggregates**

Summary tables (table A of tables 1–6) report indicator aggregates (averages, or in some cases totals) for USAID-assisted countries and other country groupings on the basis of income and categories relevant to the Agency’s organization and interests. These have been prepared for comparative purposes, so one can see, at a glance, which country groupings are most advanced and which are least advanced, which are progressing faster and which slower.

Below are definitions of each of the country groupings found in the summary tables.

**USAID-assisted countries.** For Agency goals 1 through 5 (tables 1–5), countries are considered to be recipients of USAID assistance if they were obligated funds from any of the following accounts during fiscal year 1998: Economic Support Funds (ESF), Child Survival and Disease Fund (CSD), Development Assistance (DA), Special

Assistance Initiative/ New Independent States (SAI/ NIS), and Support for East European Democracy (SEED). Countries where total assistance from these accounts was less than \$500,000 and countries that received assistance from PL480 accounts exclusively (Title II and Title III) were omitted from this group. However, for Agency goal 6 — humanitarian assistance — it was considered appropriate to also include countries that received only PL480 funds.<sup>4</sup>

**USAID-assisted countries by bureaus.** USAID-assisted countries, as defined above, are organized into four regional bureaus, the bureaus for Africa (AFR), Asia and the Near East (ANE), Europe and Eurasia (E&E), and Latin America and the Caribbean (LAC).

**USAID-assisted countries in postconflict transition.** For purposes of policy, strategic planning, and reporting progress, USAID finds it useful to categorize USAID-assisted countries that are in postconflict transitions. Postconflict transitions refer to general periods of change when a country is moving from a period of instability to stability (or vice versa). The Agency is most interested in countries in which conflict is a current or relatively recent threat to social and economic progress. The determination of which USAID-assisted countries meet this definition has been made during PPC and regional bureaus consultations. The remaining USAID-assisted countries not classified as postconflict transition countries are for the most part sustainable development countries, although they may also include a few “other transition” countries.<sup>5</sup>

<sup>4</sup>The source of information on country funding is USAID, M/B/RA.

<sup>5</sup>The source for countries classified as postconflict transition countries is the Annual Performance Plan for FY00, page 36.

**Non-USAID-assisted developing countries.** These are developing countries that did not receive actual USAID obligations during FY98 of any amount from any funding account. They exclude the high-income countries as defined by the World Bank (see below) and those with small populations (below 1 million).

**All countries.** This includes all countries of the world with populations over 1 million for which there are data. This includes all regions and income levels — regardless of whether they are USAID assisted.

**All countries by income groups.**

For some indicators, averages are reported for countries categorized according to their income group (per capita GNP range). The income group definitions used here are from the World Bank's *World Development Indicators, 1999*. Low-income countries had a 1996 per capita GNP of \$785 or less, lower middle-income countries were between \$786 and \$3,125, upper middle-income countries were between \$3,126 and \$9,655, and high-income countries had a per capita GNP greater than \$9,656.

## Matrix D.1. Agency Performance Goals and Indicators

As shown in FY00 APP

### Agency Goal 1: Broad-Based Economic Growth and Agricultural Development Encouraged

Goals and Objectives	Performance Goals	Indicators
Related to Agency Goal-level	Average annual growth in per capita income above 1% achieved	GDP per capita average annual growth rate Percentage of USAID-assisted countries meeting the performance goal
	Reliance on foreign aid in relatively advanced (middle income) countries diminished	Aid as a percent of GNP, percentage of countries with diminished reliance
Objective 1.1: Critical, private markets expanded and strengthened	Openness and greater reliance on private markets increased	Economic Freedom Index, percentage with improved scores Growth in exports and imports, percentage of countries Foreign direct investment, percentage of countries with increase
Objective 1.2: More rapid and enhanced agricultural development and food security encouraged	Average annual growth in agriculture at least as high as population growth in low income countries	Percentage of low-income countries meeting performance goal
Objective 1.3: Access to economic opportunity for the rural and urban poor expanded and made more accessible	Proportion of the population in poverty reduced by 50% by 2015	Percentage of countries with average annual per capita growth at rates required to achieve Development Assistance Committee poverty target

### Agency Goal 2: Democracy and Good Governance Strengthened

Goals and Objectives	Performance Goals	Indicators
Related to Agency Goal-level	Level of freedom and participation improved	Country freedom index classification as free/partly free/not free Country composite scores for civil liberties Country composite scores for political rights
Objective 2.1: Rule of law and respect for human rights of women as well as men strengthened		
Objective 2.2: Credible and competitive political processes encouraged		
Objective 2.3: The development of politically active civil society promoted		
Objective 2.4: More transparent and accountable government institutions encouraged		

### Agency Goal 3: Human Capacity Built Through Education and Training

Goals and Objectives	Performance Goals	Indicators
Objective 3.1: Access to quality basic education, especially for girls and women, expanded	National primary enrollment increased to attain full primary enrollment by 2015	Net primary enrollment ratio
	Difference between girls and boys primary enrollment ratios eliminated	Ratio of female/male gross enrollment ratios
Objective 3.2: The contribution of institutions of higher education to sustainable development increased	Higher education interinstitutional partnerships formed to respond to development problems	Number of higher education interinstitutional partnerships

## Matrix D.1. (Continued) Agency Performance Goals and Indicators

### Agency Goal 4: World Population Stabilized and Human Health Protected

Goals and Objectives	Performance Goals	Indicators
Objective 4.1: Unintended and mistimed pregnancies reduced	Total fertility rate reduced 20% by 2007	Total fertility rate
Objective 4.2: Infant and child health and nutrition improved and infant and child mortality reduced	Mortality rate for infants and children under age five reduced by 25%	Under-5 mortality rate
Objective 4.3: Deaths and adverse health outcomes of women as a result of pregnancy and childbirth reduced	Percent of births attended by medically trained personnel increased 15% by 2007 (as a proxy for reduced maternal mortality)	Percent of births attended by medically trained personnel
Objective 4.4: HIV transmission and the impact of the HIV/AIDS pandemic reduced	Percent reported condom use in casual relations increased to 65% for males and 80% for females by 2007 (as a proxy for rate of increase of new annual HIV/AIDS infections)	Percentage reported condom use in casual relations disaggregated by gender
Objective 4.5: The threat of infectious diseases of major public health importance reduced	Deaths from infectious disease of major health importance reduced 10% by 2007	Deaths from infectious disease of major health importance

### Agency Goal 5: The World's Environment Protected for Long-Term Sustainability

Goals and Objectives	Performance Goals	Indicators
Related to Agency Goal-level	Host governments committed to sound national and international environmental programs	National environmental strategies and international environmental treaties (20-point index)
Objective 5.1: Threat of global climate change reduced	Threat of climate change reduced	Carbon dioxide (CO <sub>2</sub> ) emissions per capita industrial average
Objective 5.2: Biological diversity conserved	Conservation of biologically significant habitats improved	Nationally protected area
Objective 5.3: Sustainable urbanization including pollution management promoted	Urban population's access to adequate environmental services improved	Percent of urban population with access to safe drinking water and to sanitation services
Objective 5.4: Use of environmentally sound energy services increased	Energy conserved through increased efficiency and reliance on renewable sources	GDP per unit of energy use
Objective 5.5: Sustainable management of natural resources increased	Deforestation rate in tropical forests reduced and management of natural forests and tree systems improved	Average annual change in total forest area

### Agency Goal 6: Lives Saved, Suffering Associated With Natural or Man-Made Disasters Reduced, And Conditions Necessary for Political or Economic Development Reestablished

Goals and Objectives	Performance Goals	Indicators
Objective 6.1: The potential impact of crises reduced (crisis prevention)	None	None
Objective 6.2: Urgent needs in times of crises met	Crude mortality rate for refugee populations returned to normal range within six months after onset of emergency situation	Crude mortality rate in emergency situations
	Nutritional status of children age five and under made vulnerable by emergencies maintained or improved	Percent of children under 5 in emergency situations who are wasted
Objective 6.3: Personal security and basic institutions to meet critical intermediate needs and protect basic human rights reestablished	Conditions for social and economic development in post-conflict situations improved	Number of people displaced by open conflict
	Freedom of movement, expression, assembly and economy in post-conflict situations increased	Number of transition countries classified as free/partly free/not free



**Table D.1. USAID Goal: Broad-Based Economic Growth and Agricultural Development Encouraged**  
Selected Performance Indicators - Summary

	GDP per capita Average annual growth rate		Aid as % of GNP Change in percent		Total trade Average annual growth rate		Economic Freedom Index Overall score			Foreign Direct Investment \$US billions Average annual growth rate			Agri. Per Capita Average annual growth rate	
	1992-96	1994-98	1994/90	1997/93	1990-95	1994-97	1996	1997	1998	1990-97	1990-95	1993-97	1990-95	1992-97
<b>USAID-Assisted</b>	<b>-1.25</b>	<b>0.90</b>	<b>1.55</b>	<b>-1.07</b>	<b>7.59</b>	<b>8.91</b>	<b>3.31</b>	<b>3.42</b>	<b>3.4</b>	<b>301</b>	<b>38.5</b>	<b>37.2</b>	<b>-1.88</b>	<b>0.18</b>
Sub-Saharan Africa	-0.55	0.95	7.70	-3.89	3.26	7.35	3.47	3.5	3.47	20	32.6	18.5	-2.15	1.36
Asia/Near East	2.99	2.79	-2.90	-0.92	11.94	10.85	3.31	3.29	3.32	70	32.0	30.1	0.23	0.73
Europe/Eurasia	-6.52	-0.78	1.90	0.61	---	8.39	---	3.67	3.65	67	--	42.3	-5.83	-1.95
Latin America/Caribbean	1.37	1.48	-2.11	0.26	9.01	10.29	3.09	3.05	3.02	144	35.0	42.6	1.81	1.02
<b>Non-Assisted</b>	<b>0.94</b>	<b>1.25</b>	<b>1.56</b>	<b>-2.27</b>	<b>3.68</b>	<b>5.37</b>	<b>3.43</b>	<b>3.42</b>	<b>3.48</b>	<b>346</b>	<b>36.1</b>	<b>11.5</b>	<b>-0.71</b>	<b>0.78</b>
Sub-Saharan	-0.62	0.30	4.34	-4.57	-0.46	3.46	3.5	3.49	3.58	2	4.6	79.1	-1.64	0.91
Asia/Near East	2.57	1.69	-1.77	0.21	8.50	5.40	3.68	3.67	3.73	267	37.8	9.1	0.47	0.64
Europe/Eurasia	-0.63	3.87	0.58	0.12	9.29	11.85	2.2	2.18	2.33	10	50.9	17.3	-6.82	-2.44
Latin America/Caribbean	2.57	2.46	-0.60	-0.31	7.92	9.95	3.08	3.04	3.01	68	20.0	33.9	1.09	1.15
<b>High Income countries</b>	<b>2.67</b>	<b>2.53</b>	<b>-0.03</b>	<b>0.08</b>	<b>5.53</b>	<b>7.31</b>	<b>2.21</b>	<b>2.2</b>	<b>2.23</b>	<b>1,290</b>	<b>5.6</b>	<b>14.0</b>	<b>0.09</b>	<b>0.92</b>
<b>All Countries</b>	<b>0.15</b>	<b>1.32</b>	<b>1.49</b>	<b>-1.41</b>	<b>5.21</b>	<b>7.62</b>	<b>3.09</b>	<b>3.18</b>	<b>3.19</b>	<b>1,937</b>			<b>-1.21</b>	<b>0.47</b>
<b>Income Groups</b>														
Low income	-1.43	0.51	5.65	-2.66	3.39	7.78	3.6	3.73	3.74	45	29.0	23.4	-0.73	1.33
Lower middle income	-0.39	0.82	-2.40	-0.61	6.29	5.83	3.28	3.3	3.32	332	40.7	19.1	-2.29	-0.91
Upper middle income	1.60	2.57	-0.43	-0.23	7.09	11.04	2.96	2.92	2.94	261	22.7	29.1	-1.86	0.29
High income	2.67	2.50	-0.19	-0.03	5.72	7.27	2.23	2.22	2.25	1,299	20.8	14.3	0.09	0.92

*Notes:*

See regional tables for country-level data.

See Annex D text for definition of "USAID-assisted" and Income groups

All regional aggregates are unweighted averages except for FDI in \$US billions, which is the total for the region.

Table D.1. USAID Goal: Broad-Based Economic Growth and Agricultural Development Encouraged  
Selected Performance Indicators

	GDP per capita		Met DAC		Aid as %		Total Trade		Economic			Foreign Direct Investment			Agri. Per capita	
	Average annual growth rate		Goal (Y/N)		Change in %		average annual growth rate		Freedom Index			\$US billions	Average annual growth rate		Average annual growth rate	
	1992-96	1994-98	1992-96	1994-98	1994/90	1997/93	1990-95	1994-97	1996	1997	1998		1990-97	1990-95	1993-97	1990-95
<b>Sub-Saharan Africa</b>																
Angola	-5.0	2.9	N	Y	20.0	0.8	11.7	3.2	4.4	4.4	4.5	1,990	-22.0 f	9.0	-19.43	0.57
Benin	1.5	2.0	Y	Y	2.6	-3.3	0.4	10.4	3.0	3.0	3.1	42	-6.9	-28.3	2.00	2.35
Congo (Kinshasa)	-8.4	-5.8	N	N	-6.6	1.0	-18.8	7.2	4.2	4.7	3.8	-4	0.0 f	7.2	-0.25	0.07
Eritrea	0.6	3.2 a	Y	Y	---	1.3	18.4	13.1 d	---	---	---	0	---	---	---	---
Ethiopia	3.6	2.7	Y	Y	6.6	-7.7	1.6	15.4	3.6	3.7	3.7	52	-10.7	-1.6	-0.83	2.41
Ghana	1.6	1.6	Y	Y	0.5	-3.3	7.5	10.0	3.1	3.0	3.0	773	71.5	-5.7	-0.45	0.59
Guinea	1.6	1.9	Y	Y	-0.1	-2.6	0.7	1.9	3.5	3.3	3.4	107	-56.5	12.8	1.51	1.88
Kenya	-0.7	0.4	N	Y	-4.7	-12.5	8.5	6.1	3.1	3.1	3.1	153	-22.9	87.9	-3.21	-0.05
Liberia	---	---	---	---	---	---	---	---	---	---	---	94	27.3	-11.2	---	---
Madagascar	-1.4	-0.8	N	N	-3.5	13.1	2.6	3.3	3.3	3.4	3.5	112	-18.4	3.8	-1.26	-1.30
Malawi	0.2	2.0	Y	Y	13.2	-10.6	-1.3	13.2	3.6	3.7	3.7	5	---	23.1 j	0.00	11.84
Mali	0.8	1.9	Y	Y	4.3	4.6	0.5	11.0	3.1	3.1	3.1	64	---	-23.2 j	0.31	0.50
Mozambique	1.3	5.7	Y	Y	18.3	-40.2	4.6	-1.2	4.0	4.1	3.9	233	31.4	-0.1	1.83	6.89
Namibia *	1.3	0.7	Y	Y	-0.6	-0.6	4.8	2.7	3.0	2.8	2.8	879	17.6	33.3	2.10	2.00
Niger	-2.5	0.8	N	Y	8.1	-3.3	-5.6	5.9	3.7	3.7	3.7	27	---	---	-0.88	-0.65
Nigeria	-0.3	0.0	N	N	-0.1	-1.0	2.8	10.0	3.2	3.3	3.3	9,712	20.3	0.6	-0.54	0.24
Rwanda	-4.3	-2.7	N	N	84.5	13.7	0.1	-5.5	4.2	4.3	4.3	25	-33.2	-30.1	-9.99	-7.89
Senegal	0.0	2.1	N	Y	3.5	-3.6	-1.0	3.8	3.3	3.3	3.3	243	---	-18.7 j	-2.13	0.17
Somalia	---	---	---	---	---	---	---	---	4.7	4.7	4.8	10	---	---	---	---
South Africa *	-0.4	0.2	N	Y	---	0.2	6.1	9.6	3.0	2.9	2.9	3,810	---	59.3 j	-2.90	5.28
Tanzania	-0.7	0.5	N	Y	-6.5	-8.8	6.8	5.4	3.3	3.3	3.3	510	118.6 g	68.7	0.14	2.26
Uganda	3.8	3.8	Y	Y	3.0	-6.5	8.8	23.7	2.9	2.8	2.8	569	265.8 f	30.9	0.48	1.29
Zambia	-3.2	-3.6	N	N	7.1	-12.0	1.0	6.4	2.9	3.1	3.1	585	-10.5	6.5	-9.92	-4.97
Zimbabwe	-1.3	1.5	N	Y	4.4	-4.1	11.5	6.2	3.7	3.9	3.8	242	82.7 f	27.4	-1.65	5.05

Notes:

\* Middle-income countries (defined by World Bank as GNP per capita over \$785 in 1997).

a. GDP per capita baseline 1993-96

d. Trade baseline 1992-95

f. FDI baseline 1991-95

g. FDI baseline 1992-95

j. FDI latest data 1994-97

Sources and definitions-see table notes

**Table D.1. USAID Goal: Broad-Based Economic Growth and Agricultural Development Encouraged**  
Selected Performance Indicators

	GDP per capita		Met DAC		Aid as %		Total Trade		Economic			Foreign Direct Investment			Agri. Per capita	
	Average annual growth rate		Goal (Y/N)		Change in %		average annual growth rate		Freedom Index			Average annual growth rate			Average annual growth rate	
	1992-96	1994-98	1992-96	1994-98	1994/90	1997/93	1990-95	1994-97	1996	1997	1998	1990-97	1990-95	1993-97	1990-95	1992-97
<b>Asia/Near East</b>																
Bangladesh*	3.2	3.4	Y	Y	-1.8	-1.7	10.0	18.1	3.7	3.8	3.9	185	20.1	62.3	-0.90	-0.35
Burma*	6.1	5.8	Y	Y	---	---	---	---	4.3	4.3	4.3	1,106	-12.6	-10.9	4.02	3.54
Cambodia*	3.1	1.3	Y	Y	1.1	-2.0	---	---	3.6	3.4	3.4	803	61.6 <b>g</b>	50.7	-0.87	-0.40
Egypt	1.0	2.2	Y	Y	-7.1	-2.7	3.5	3.3	3.5	3.4	3.4	5,320	11.6	5.2	0.61	1.19
India*	4.5	4.9	Y	Y	0.3	-0.1	12.4	12.1	3.7	3.7	3.7	9,957	83.9	57.2	0.85	0.67
Indonesia	5.9	1.3	Y	Y	-0.6	-0.9	10.6	12.1	2.9	2.9	3.0	23,684	26.0	31.9	1.24	0.63
Israel	2.8	1.9	Y	Y	-1.0	-0.7 <b>b</b>	10.3	6.3	2.8	2.8	2.8	8,357	51.1	59.0	---	---
Jordan	2.9	0.4	Y	Y	-17.4	0.9	8.3	5.1	2.7	2.8	2.8	87	---	86.5 <b>j</b>	-10.10	-8.10
Lebanon	4.0	3.6	Y	Y	-5.0	-0.3	---	---	3.0	3.3	3.3	288	---	142.9	.	1.55 <b>l</b>
Mongolia*	-2.4	1.8	N	Y	.	1.4	---	---	3.3	3.1	3.2	38	---	-5.0	5.69	6.99 <b>m</b>
Morocco	0.1	2.0	Y	Y	---	---	5.9	4.8	2.8	3.0	3.0	3,747	14.1	12.9	---	---
Nepal*	2.1	1.7	Y	Y	-0.6	-1.3	19.9	8.8	3.6	3.4	3.4	75	17.4	44.8	-0.97	0.61
Philippines	1.1	1.6	Y	Y	-1.3	-1.9	10.0	15.4	2.8	2.7	2.8	8,348	33.2	-0.7	-0.78	0.08
Sri Lanka	4.0	4.0	Y	Y	-3.9	-4.2	11.0	4.8	2.5	2.5	2.6	1,181	17.0	13.4	1.08	0.18
Vietnam*	6.6	6.1	Y	Y	1.7	2.1	29.4	28.6	4.7	4.7	4.6	6,595	111.3	37.4	2.90	2.94
West Bank/Gaza	---	---	---	---	---	---	---	---	---	---	---	---	0.0	0.0	---	---

*Notes:*

\* Low-income countries (defined by World Bank as GNP per capita \$785 or less in 1997).

b. Aid as percent of GNP 1996 as compared to 1993

g. FDI baseline 1992-95

j. FDI latest data 1994-97

l. Ag. Per capita latest data 1994-97

m. Ag per capita latest data 1992-96

Source and definitions-see table notes

Table D.1. USAID Goal: Broad-Based Economic Growth and Agricultural Development Encouraged  
Selected Performance Indicators

	GDP per capita Average annual growth rate		Met DAC Goal (Y/N)		Aid as % of GNP Change in %		Total Trade average annual growth rate		Economic Freedom Index Overall score			Foreign Direct Investment \$US billions Average annual growth rate			Agri. Per capita Average annual growth rate	
	1992-96	1994-98	1992-96	1994-98	1994/90	1997/93	1990-95	1994-97	1996	1997	1998	1990-97	1990-95	1993-97	1990-95	1992-97
<b>Europe/Euasia</b>																
Albania (Low)	5.6	4.3	Y	Y	7.8	-18.5	---	6.1	3.7	3.8	3.9	339	44.3 g	1.5	8.07	8.09
Armenia (Low)	-14.2	4.9	N	Y	8.2	4.2	---	12.4	3.5	3.5	3.5	91	---	78.4 j	-1.81	1.28
Azerbaijan (Low)	-16.4	-4.2	N	N	4.0	2.4	---	10.0	4.6	4.4	4.3	1,548	---	198.6 j	. (1)	-5.27 n
Belarus	-7.7	-0.5	N	N	0.1	-0.5 b	---	---	3.9	4.1	4.2	325	42.7 g	113.3	-7.58	-4.56
Bosnia *	---	---	---	---	---	---	---	---	---	4.8	4.8	---	---	---	---	---
Bulgaria	-2.7	-1.6	N	N	1.6	1.1 b	---	9.6	3.6	3.7	3.5	960	66.1	55.7	-6.85	2.52
Croatia	2.0	5.6 a	Y	Y	---	-0.6 c	---	11.6 e	3.7	3.8	3.7	1,232	2.5 h	54.3	-4.41	0.74 k
Georgia	-16.1	3.0	N	Y	6.6	1.1	---	8.1	3.9	3.7	3.7	104	---	121.9 j	---	3.88 l
Hungary	0.7	3.4	Y	Y	0.3	-0.1 b	---	11.8	2.9	2.9	2.9	15,015	30.1 g	3.1	-6.70	0.45
Kazakhstan	-6.5	-3.5	N	N	-0.1	0.5	---	-5.0	---	4.1	4.1	3,857	101.5 g	85.3	-17.22 k	-13.59
Kyrgyzstan *	-10.5	-2.8	N	N	4.5	11.5	---	-4.2	---	4.0	4.0	242	210.0 i	40.9	-8.14	0.38
Latvia	-9.3	4.4	N	Y	0.9	0.8 b	---	18.7	3.0	2.9	2.9	1,371	102.0 g	72.9	-14.18	-4.51
Lithuania	-8.3	1.7	N	Y	1.2	0.1 b	---	---	3.1	3.0	3.0	641	55.0 i	91.7	-7.33	1.82
Macedonia	-3.0	0.0 a	N	Y	---	6.7	---	2.0	---	---	---	61	---	-17.9 j	0.31	0.42
Moldova *	-15.2	-9.4	N	N	1.7	2.8	---	19.0	3.4	3.4	3.4	120	---	63.1 j	-8.54	-5.20
Poland	4.7	5.9	Y	Y	-0.4	-0.8 b	---	20.5	3.2	3.0	3.0	17,713	104.8	34.7	-2.93	-0.09 m
Romania	1.9	0.6	Y	Y	-0.1	-0.1 b	---	5.4	3.4	3.3	3.3	2,449	85.6 f	62.6	0.31	3.82
Russia	-8.7	-4.7	N	N	0.5	-0.5 b	---	5.4	3.7	3.5	3.5	11,374	---	102.4 j	-8.35 k	-7.32
Slovak Republic	2.6	5.6 a	Y	Y	0.5	-0.1 b	---	6.2	3.1	3.1	3.1	1,031	-4.1	-0.5	-2.63	5.96
Tajikistan *	-17.4	-8.3	N	N	2.9	4.1	---	---	---	4.4	4.4	61	---	23.9 j	---	---
Turkey	2.6	2.3	Y	Y	-0.7	-0.2	---	20.0	2.8	2.8	2.8	5,994	1.0 g	6.6	-1.05	-0.83
Turkmenistan *	-13.7	-13.4	N	N	0.4	-0.2	---	---	---	4.5	4.5	193	---	---	---	---
Ukraine	-15.1	-9.6	N	N	0.0	-0.1 b	---	-6.6 e	3.8	3.8	3.8	1,570	---	61.0 j	-18.34	-25.98
Uzbekistan	-5.4	-1.5	N	N	-0.2	0.2	---	---	---	4.6	4.4	590	38.7 g	46.0	-3.41	-2.92

Notes:

\* Low-income countries (defined by World Bank as GNP per capita \$785 or less in 1997).

- a. GDP per capita baseline 1993-96
- b. Aid as percent of GNP 1996 as compared to 1993
- c. Aid as percent of GNP 1995 as compared to 1994
- e. Trade latest data 1994-96
- g. FDI baseline 1992-95
- h. FDI baseline 1994-95
- i. FDI baseline 1993-95
- j. FDI latest data 1994-97
- k. Ag per capita baseline 1992-95
- l. Ag. Per capita latest data 1994-97
- m. Ag per capita latest data 1992-96



**Table D1. USAID Goal: Broad-Based Economic Growth and Agricultural Development Encouraged**

*Indicator:* GDP per capita average annual growth rate, calculated for the baseline period (growth rates for 1992–96), and the most recent period (1995–98).

*Sources:* IMF, *World Economic Outlook*, May 1999; and World Bank, *World Development Indicators*, 1999.

*Definition:* GDP per capita is calculated by comparing the GDP average annual growth rate by the population average annual growth rate for similar periods. Annual GDP growth rates are estimated by IMF staff and reported in the *World Economic Outlook* every two years. Population is the total midyear population.

GDP measures the total output of goods and services for final use occurring within the domestic territory of a given country, regardless of the allocation to domestic and foreign claims. The growth rate is computed by using the least-squares method and constant 1987 (local currency) prices for 1986–96.

Regional averages are unweighted.

*Indicator:* Meet DAC goal? Y/N. Income growth levels sufficient to meet a 25 percent reduction in poverty by 2005.

*Sources:* World Bank, *World Development Indicators*, 1998.

*Definition:* GDP per capita growth rates, as calculated above, are compared with the regional consumption rates as estimated by World Bank staff to meet

the DAC target of a 50 percent reduction in poverty by 2015. The regional required growth rates are as follows: sub-Saharan Africa (1.9 percent), South Asia (1.3 percent), East Asia (1.2 percent), Middle East and North Africa (0.3 percent), Latin America and the Caribbean (1.8 percent), and Europe and Eurasia (0.8 percent). These rates, presented in the 1998 *World Development Indicators*, are estimates of growth required to achieve the DAC target of 50 percent reduction in poverty by 2015.

Regional averages are the same for GDP per capita.

*Indicator:* Aid as a percent of GNP.

*Source:* OECD, Development Assistance Committee, obtained from World Bank, *World Development Indicators*, 1999.

*Definition:* Aid is defined as Official Development Assistance. ODA consists of net disbursements of loans and grants made on concessional terms by official agencies of the members of DAC and certain Arab countries to promote economic development and welfare in recipient countries listed as developing by DAC. Loans with a grant element of more than 25 percent are included as ODA. ODA also includes technical assistance. Official aid refers to aid flows from official donors to the transition countries of Eastern Europe and the former Soviet Union and to certain advanced countries and territories as determined by DAC. Official aid is provided under terms and conditions similar to those of ODA. For the baseline period, aid dependency ratio is computed as a comparison between the 1994 ratio and the 1990 ratio. The most



recent comparison is between the 1997 ratio and the 1993 ratio. The values expressed in table D1 are the net change (+/-) in the two ratios. Progress, (less dependence on aid) is expressed as a negative value—i.e., a decrease in the aid dependency ratio between the two years.

Regional averages are unweighted.

*Indicator:* Average annual growth rate of total trade of good and services.

*Sources:* World Bank, national accounts data; OECD National Accounts data files, obtained from World Bank, *World Development Indicators, 1999*.

*Definitions:* Total trade is expressed as the value of exports and imports. Exports of goods and services represent the value of all goods and other market services provided to the rest of the world. Included is value of merchandise, freight, insurance, travel, and nonfactor services. Factor and property income (formerly called factor services), such as investment income, interest, and labor income, is excluded.

Imports of goods and services represent the value of all goods and other market services obtained from the rest of the world. Included is value of merchandise, freight, insurance, travel, and nonfactor services. Factor and property income, such as investment income, interest, and labor income, is excluded. Growth rates are calculated for the baseline period (1990–95) and the most recent period (1994–97) using the least-squares growth rate method and constant prices export and imports (1995 \$US).

Weighted or unweighted.

*Indicator:* Foreign direct investment, US\$ and average annual growth.

*Sources:* International Monetary Fund, International Financial Statistics and Balance of Payments databases; World Bank, Global Development Finance 1999. Obtained from World Bank, *World Development Indicators, 1999*.

*Definition:* Foreign direct investment is net inflows of investment to acquire a lasting management interest (10 percent or more of voting stock) in an enterprise operating in an economy other than that of the investor. It is the sum of equity capital, reinvestment of earnings, other long-term capital, and short-term capital as shown in the balance of payments. Data are in current U.S. dollars.

Countries have “clear” increases and meet the performance goal if average annual growth is 5 percent or greater.

1. The revised base represents the five-year period ending in 1995. The baseline was revised for all USAID-assisted countries on the basis of the revised USAID-assisted country list. This revision was necessary, as a number of countries on the original baseline are no longer assisted by USAID.
2. The actuals represent data from a five-year average ending in 1997.
3. The target for 1999 represents the five-year period ending in 1999.

“Direct foreign investment” is defined as net inflow of investment to acquire a lasting management interest (10 percent or more) in an enterprise in an economy other than that of the investor.

Weighted or unweighted.

*Indicator:* Economic Freedom Index.

*Source:* Heritage Foundation, *Economic Freedom in the World, 1999*.

*Definition:* The Economic Freedom Index measures the degree to which individuals are free to produce, distribute, and consume goods and services. Countries are scored using 50 independent variables, classified into 10 broad economic factors. The scale runs from 1 to 5, with 1 being the most free and 5 the least free. The higher the score, the less supportive of private markets are institutions and policies. The factors are 1) trade policy, 2) taxation policy, 3) government intervention in the economy, 4) monetary policy, 5) capital flows and foreign investment, 6) banking policy, 7) wage and price controls, 8) property rights, 9) regulation, and 10) black market. Data represent aggregate scores for country status during 1997.

Regional averages are unweighted.

*Indicator:* Difference between average annual growth rate of agriculture and average annual growth rate of population.

*Sources:* Agriculture data from World Bank, national accounts data, and

OECD National Accounts data files. Population data are from World Bank staff estimates. Both series obtained from World Bank, *World Development Indicators, 1999*.

*Definition:* Agriculture is the value added from forestry, hunting, and fishing as well as cultivation of crops and livestock production. Agriculture growth rates are calculated by using the least-squares growth rate method and constant (local currency) prices for the baseline period (1990–95) and the most recent period (1992–97). Total population is midyear estimates based on national censuses, using the de facto definition of population, which counts all residents regardless of legal status or citizenship. Refugees not permanently settled in the country of asylum are generally considered to be part of the population of their country of origin. Average annual growth rate for population is based on the exponential change over the periods.

Regional averages are unweighted.

**Table D.2. USAID Goal: Democracy and Good Governance**  
Selected Performance Indicators -Summary

	Freedom House Classifications (number of countries)												Average Scores (1-7)						
	End 1993			End 1996			End 1998			Changes (+/-)			Civil Liberties			Political Rights			
	Partly Free	Not Free	Free	Partly Free	Not Free	Free	Partly Free	Not Free	Free	Partly Free	Not Free	Free	1993	1996	1998	1993	1996	1998	
	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free	
<b>USAID-Assisted</b>	<b>13</b>	<b>42</b>	<b>24</b>	<b>18</b>	<b>40</b>	<b>22</b>	<b>25</b>	<b>37</b>	<b>18</b>	<b>12</b>	<b>-5</b>	<b>-6</b>	<b>4.4</b>	<b>4.2</b>	<b>4.0</b>	<b>4.2</b>	<b>4.0</b>	<b>3.8</b>	
Sub-Saharan Africa	3	7	14	5	10	9	5	12	7	2	5	-7	4.8	4.7	4.4	4.9	4.6	4.5	
Asia/Near East	2	9	4	3	6	7	4	6	6	2	-3	2	4.8	4.8	4.6	4.3	4.3	4.2	
Europe/Eurasia	4	15	5	6	12	6	7	12	5	3	-3	0	4.2	4.1	4.0	4.1	3.9	3.7	
Latin America/Caribbean	4	11	1	4	12	0	9	7	0	5	-4	-1	3.8	3.3	3.3	3.3	2.9	2.6	
<b>Non-Assisted Developing</b>	<b>12</b>	<b>12</b>	<b>24</b>	<b>12</b>	<b>11</b>	<b>25</b>	<b>14</b>	<b>8</b>	<b>26</b>	<b>2</b>	<b>-4</b>	<b>2</b>	<b>4.7</b>	<b>4.8</b>	<b>4.6</b>	<b>4.7</b>	<b>4.6</b>	<b>4.7</b>	
Sub-Saharan Africa	4	6	10	3	7	10	3	6	11	-1	0	1	4.5	4.7	4.4	4.8	4.8	4.9	
Asia/Near East	0	5	12		4	13	2	2	13	2	-3	1	6.1	6.0	5.8	5.7	5.8	5.8	
Europe/Eurasia	2	0	1	2	0	1	2	0	1	0	0	0	3.3	3.3	3.3	3.3	2.7	2.7	
Latin America/Caribbean	6	1	1	7	0	1	7	0	1	1	-1	0	2.9	3.0	3.0	2.6	2.3	2.6	
<b>High Income</b>	<b>24</b>	<b>4</b>	<b>1</b>	<b>25</b>	<b>3</b>	<b>1</b>	<b>25</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>-2</b>	<b>1</b>	<b>2.0</b>	<b>1.9</b>	<b>1.8</b>	<b>1.7</b>	<b>1.5</b>	<b>1.5</b>	
<b>All Countries</b>	<b>49</b>	<b>58</b>	<b>49</b>	<b>55</b>	<b>54</b>	<b>48</b>	<b>64</b>	<b>47</b>	<b>46</b>	<b>15</b>	<b>-11</b>	<b>-3</b>	<b>4.1</b>	<b>4.0</b>	<b>3.8</b>	<b>3.9</b>	<b>3.7</b>	<b>3.7</b>	
<b>Income Levels</b>																			
Low	4	23	31	4	28	26	7	27	24	3	4	-7	5.0	4.9	4.7	5.1	4.9	4.8	
Lower Middle	9	21	14	12	16	17	17	12	16	8	-9	2	4.5	4.3	4.1	4.2	4.0	3.9	
Upper Middle	11	10	3	13	7	4	14	6	4	3	-4	1	3.6	3.5	3.4	3.4	2.9	3.1	
High	25	4	1	25	3	1	26	2	2	1	-2	1	2.0	1.9	1.9	1.7	1.5	1.5	

*Notes:*

See regional tables for country-level data.

See Annex D text for definition of "USAID-assisted" and Income groups

All regional aggregates are unweighted averages

Data for 1993, 1996, 1998 refer to data published in Freedom in the World 1993-94, 1996-97, and 1998-99, respectively.

Taiwan included and designated as high income

**Table D.2. USAID Goal: Democracy and Good Governance**  
Selected Performance Indicators

	Freedom House Classifications			Civil Liberties Scores			Political Rights Scores			Freedom House Polity Description* based on situation at end of 1998
	1993	1996	1998	1993	1996	1998	1993	1996	1998	
<b>Sub-Saharan Africa</b>										
Angola	NF	NF	NF	7	6	6	7	6	6	Presidential-legislative
Benin	F	F	F	3	2	2	2	2	2	Presidential-parliamentary democracy
Congo (Kinshasa)	NF	NF	NF	6	6	6	7	7	7	Military-backed dictatorship
Eritrea	NF	NF	NF	5	4	4	6	6	6	One-party (transitional)
Ethiopia	NF	NF	NF	5	5	4	6	4	4	Dominant party
Ghana	PF	PF	PF	4	4	3	5	3	3	Presidential-parliamentary democracy
Guinea	NF	NF	NF	5	5	5	6	6	6	Dominant party (military influenced)
Kenya	NF	NF	NF	6	6	5	5	7	6	Dominant party
Liberia	NF	NF	NF	6	6	5	6	7	4	Presidential-parliamentary democracy
Madagascar	PF	PF	PF	4	4	4	2	2	2	Presidential-parliamentary democracy
Malawi	NF	NF	NF	5	3	3	6	2	2	Presidential-parliamentary democracy
Mali	F	F	F	3	2	3	2	2	3	Presidential-parliamentary democracy
Mozambique	NF	NF	NF	5	4	4	6	3	3	Presidential-legislative democracy
Namibia	F	F	F	3	3	3	2	2	2	Presidential-legislative democracy
Niger	PF	PF	PF	4	5	5	3	7	7	Dominant party (Military controlled)
Nigeria	NF	NF	NF	5	6	4	7	7	6	Transitional military rule
Rwanda	NF	NF	NF	5	6	6	6	7	7	Dominant party (military-dominated)
Senegal	PF	PF	PF	5	4	4	4	4	4	Dominant party
Somalia	NF	NF	NF	7	7	7	7	7	7	Rival ethnic-based militias; unrecognized de facto state in the north
South Africa	PF	PF	PF	4	2	2	5	1	1	Presidential-legislative democracy
Tanzania	NF	NF	NF	5	5	4	6	5	5	Dominant Party
Uganda	NF	NF	NF	5	4	4	6	4	4	Dominant party
Zambia	PF	PF	PF	4	4	4	3	5	5	Dominant party
Zimbabwe	PF	PF	PF	5	5	4	5	5	5	Dominant party

*Notes:*

F=Free, PF=Partly Free, NF=Not Free

Civil liberties and political rights scores are based on 7-point scale, with 1 as most free.

Source and definitions-see table notes

\*The polity category contains an encapsulated description of the dominant centers of freely chosen or unelected political power in each country. These descriptions refer to the latest (1998) data from the 1998-99 Freedom in the World. Most of the descriptions are self-explanatory, such as Communist one-party for Vietnam or parliamentary democracy for Ireland. Such nonparliamentary democracies (such as the United States) are designated as presidential-legislative democracies. Only countries with powerful monarchs warrant a reference to the monarchy in the polity description. Dominant-party polities are systems in which the ruling party (or front) dominates the government, but allows other parties to organize or compete, short of taking control of the government. Other types of polities include various military or military-influenced or dominated regimes, and transitional systems. Countries with genuine federalism contain the word "federal" in their polity description.

**Table D.2. USAID Goal: Democracy and Good Governance**  
Selected Performance Indicators

	Freedom House Classifications			Civil Liberties Scores			Political Rights Scores			Freedom House Polity Description* based on situation at end of 1998
	1993	1996	1998	1993	1996	1998	1993	1996	1998	
<b>Asia/Near East</b>										
Bangladesh	PF	PF	PF	4	4	4	2	2	2	Parliamentary democracy
Burma (Myanmar)	NF	NF	NF	7	7	7	7	7	7	Military
Cambodia	PF	PF	PF	5	6	6	4	6	6	Monarchy, dominant party (insurgency)
Egypt	NF	NF	NF	6	6	6	6	6	6	Dominant party
India	PF	PF	PF	4	4	3	4	2	2	Parliamentary democracy (insurgencies)
Indonesia	NF	NF	NF	6	5	4	7	7	6	Dominant party (military-influenced)
Israel	F	F	F	3	3	3	1	1	1	Parliamentary democracy
Jordan	PF	PF	PF	4	4	5	4	4	4	Monarchy and elected parliament
Lebanon	PF	PF	PF	5	5	5	6	6	6	Presidential-parliamentary (partly foreign-occupied)
Mongolia	F	F	F	3	3	3	2	2	2	Presidential-parliamentary democracy
Morocco	PF	PF	PF	5	5	4	5	5	5	Monarchy and limited parliament
Nepal	PF	PF	PF	4	4	4	3	3	3	Parliamentary democracy
Philippines	PF	PF	PF	4	3	3	3	2	2	Presidential-legislative democracy
Sri Lanka	PF	PF	PF	5	5	4	4	3	3	Presidential-parliamentary democracy (insurgency)
Vietnam	NF	NF	NF	7	7	7	7	7	7	Communist one-party
West Bank/Gaza	0	0	0	0	6	6	0	5	5	Palestinian-Authority administered (transitional)

*Notes:*

F=Free, PF=Partly Free, NF=Not Free

Civil liberties and political rights scores are based on 7-point scale, with 1 as most free.

Source and definitions-see table notes

\*The polity category contains an encapsulated description of the dominant centers of freely chosen or unelected political power in each country. These descriptions refer to the latest (1998) data from the 1998-99 Freedom in the World. Most of the descriptions are self-explanatory, such as Communist one-party for Vietnam or parliamentary democracy for Ireland. Such nonparliamentary democracies (such as the United States) are designated as presidential-legislative democracies. Only countries with powerful monarchs warrant a reference to the monarchy in the polity description. Dominant-party polities are systems in which the ruling party (or front) dominates the government, but allows other parties to organize or compete, short of taking control of the government. Other types of polities include various military or military-influenced or dominated regimes, and transitional systems. Countries with genuine federalism contain the word "federal" in their polity description.

**Table D.2. USAID Goal: Democracy and Good Governance**  
Selected Performance Indicators

	Freedom House Classifications			Civil Liberties Scores			Political Rights Scores			Freedom House Polity Description* based on situation at end of 1998
	1993	1996	1998	1993	1996	1998	1993	1996	1998	
<b>Europe/Eurasia</b>										
Albania	PF	PF	PF	4	4	5	2	4	4	Presidential-parliamentary democracy
Armenia	PF	PF	PF	4	4	4	3	5	4	Presidential-parliamentary democracy
Azerbaijan	NF	NF	NF	6	5	4	6	6	6	Presidential (dominant party)
Belarus	PF	PF	PF	4	6	6	5	6	6	Presidential dictatorship
Bosnia & Herzegovina	NF	NF	NF	6	5	5	6	5	5	Presidential-parliamentary democracy
Bulgaria	F	F	F	2	3	3	2	2	2	Parliamentary democracy
Croatia	PF	PF	PF	4	4	4	4	4	4	Presidential-parliamentary democracy
Georgia	PF	PF	PF	5	4	4	5	4	3	Presidential-parliamentary democracy
Hungary	F	F	F	2	2	2	1	1	1	Parliamentary democracy
Kazakhstan	PF	PF	PF	4	5	5	6	6	6	Presidential (dominant party)
Kyrgyzstan	PF	PF	PF	3	4	5	5	4	5	Presidential-parliamentary democracy
Latvia	PF	PF	PF	3	2	2	3	2	1	Presidential-parliamentary democracy
Lithuania	F	F	F	3	2	2	1	1	1	Presidential-parliamentary democracy
Macedonia	PF	PF	PF	3	3	3	3	4	3	Parliamentary democracy
Moldova	PF	PF	PF	5	4	4	5	3	2	Presidential-parliamentary democracy
Poland	F	F	F	2	2	2	2	1	1	Presidential-parliamentary democracy
Romania	PF	PF	PF	4	3	2	4	2	2	Presidential-parliamentary democracy
Russia	PF	PF	PF	4	4	4	3	3	4	Presidential-parliamentary democracy
Slovak Republic	PF	PF	PF	4	4	2	3	2	2	Parliamentary democracy
Tajikistan	NF	NF	NF	7	7	6	7	7	6	Presidential (transitional, post conflict)
Turkey	PF	PF	PF	4	5	5	4	4	4	Presidential-parliamentary democracy (military influenced, insurgency)
Turkmenistan	NF	NF	NF	7	7	7	7	7	7	Presidential
Ukraine	PF	PF	PF	4	4	4	4	3	3	Presidential-parliamentary democracy
Uzbekistan	NF	NF	NF	7	6	6	7	7	7	Presidential

*Notes:*

F=Free, PF=Partly Free, NF=Not Free

Civil liberties and political rights scores are based on 7-point scale, with 1 as most free.

Source and definitions-see table notes

\*The polity category contains an encapsulated description of the dominant centers of freely chosen or unelected political power in each country. These descriptions refer to the latest (1998) data from the 1998-99 Freedom in the World. Most of the descriptions are self-explanatory, such as Communist one-party for Vietnam or parliamentary democracy for Ireland. Such nonparliamentary democracies (such as the United States) are designated as presidential-legislative democracies. Only countries with powerful monarchs warrant a reference to the monarchy in the polity description. Dominant-party polities are systems in which the ruling party (or front) dominates the government, but allows other parties to organize or compete, short of taking control of the government. Other types of polities include various military or military-influenced or dominated regimes, and transitional systems. Countries with genuine federalism contain the word "federal" in their polity description.



**Table D.2. USAID Goal: Democracy and Good Governance**  
Selected Performance Indicators

	Freedom House Classifications			Civil Liberties Scores			Political Rights Scores			Freedom House Polity Description* based on situation at end of 1998
	1993	1996	1998	1993	1996	1998	1993	1996	1998	
<b>Latin America/Caribbean</b>										
Bolivia	F	F	F	3	3	3	2	2	1	Presidential-legislative democracy
Brazil	PF	PF	PF	4	4	4	3	2	3	Federal presidential-legislative democracy
Colombia	PF	PF	PF	4	4	4	2	4	3	Presidential-legislative democracy (insurgencies)
Dominican Republic	PF	PF	PF	3	3	2	3	3	2	Presidential-legislative democracy
Ecuador	F	F	F	3	4	3	2	2	2	Presidential-legislative democracy
El Salvador	PF	PF	PF	3	3	3	3	3	2	Presidential-legislative democracy
Guatemala	PF	PF	PF	5	4	4	4	3	3	Presidential-legislative democracy
Guyana	F	F	F	2	2	2	2	2	2	Parliamentary democracy
Haiti	NF	NF	NF	7	5	5	7	4	4	Presidential-parliamentary democracy
Honduras	PF	PF	PF	3	3	3	3	3	2	Presidential-legislative democracy
Jamaica	F	F	F	3	3	2	2	2	2	Parliamentary democracy
Mexico	PF	PF	PF	4	3	4	4	4	3	Dominant party (transitional)
Nicaragua	PF	PF	PF	5	3	3	4	3	2	Presidential-legislative democracy
Panama	PF	PF	PF	3	3	3	3	2	2	Presidential-legislative democracy
Paraguay	PF	PF	PF	3	3	3	3	4	4	Presidential-legislative democracy
Peru	PF	PF	PF	5	3	4	5	4	5	Presidential-authoritarian

*Notes:*

F=Free, PF=Partly Free, NF=Not Free

Civil liberties and political rights scores are based on 7-point scale, with 1 as most free.

Source and definitions-see table notes

\*The polity category contains an encapsulated description of the dominant centers of freely chosen or unelected political power in each country. These descriptions refer to the latest (1998) data from the 1998-99 Freedom in the World. Most of the descriptions are self-explanatory, such as Communist one-party for Vietnam or parliamentary democracy for Ireland. Such nonparliamentary democracies (such as the United States) are designated as presidential-legislative democracies. Only countries with powerful monarchs warrant a reference to the monarchy in the polity description. Dominant-party polities are systems in which the ruling party (or front) dominates the government, but allows other parties to organize or compete, short of taking control of the government. Other types of polities include various military or military-influenced or dominated regimes, and transitional systems. Countries with genuine federalism contain the word "federal" in their polity description.

**Table D.2. USAID Goal:  
Democracy and Good Governance  
Strengthened**

*Indicator:* Country classifications as Free, Partly Free, or Not Free.

*Source:* Freedom House, *Freedom in the World* annual surveys. Latest survey used in APR is 1998–99 edition.

*Definition:* Each year, the Freedom House survey team classifies countries as free (=1), partly free (=2), or not free (=3), on the basis of ratings of political rights and civil liberties (each is scored separately on a seven-point scale with 1 representing most free and 7 the least free). A country is assigned to one of the three categories on the basis of responses to a checklist of questions about political rights and civil liberties and on the judgments of the Freedom House survey team.

The classification measures the extent to which individuals enjoy rights and freedoms in each country. Broadly defined, freedom encompasses two sets of characteristics grouped under political rights and civil liberties. Political rights enable people to participate freely in the political process. Civil liberties refer to freedoms to develop views, institutions, and personal autonomy apart from the state. Data are for 1993, 1996, and 1998.

*Indicator:* Composite score for civil liberties

*Source:* Freedom House, *Freedom in the World* annual surveys; data obtained from Freedom House.

*Definition:* Freedom House also ranks countries annually on a seven-point scale for civil liberties (with 1 representing the most free and 7 the least). The civil liberties scores are based on a checklist of criteria. These include the existence of a free and independent media; freedom of discussion, assembly, and demonstration; freedom of political organization; equality under the law; protection from political terror; unjustified imprisonment, and torture; free trade unions and professional and private organizations; freedom of religion; personal social freedoms; equality of opportunity; and freedom from extreme government corruption. Data are provided in the table for 1993, 1996, and 1998.

*Indicator:* Composite score for political rights.

*Source:* Freedom House, *Freedom in the World* annual surveys; data obtained from Freedom House.

*Definition:* Freedom House provides country rankings on a seven-point scale for political rights (with 1 representing the most free and 7 the least free). Changes in countries' scores from year to year are monitored through annual surveys. The political rights score is based on answers to a checklist of criteria. Survey questions deal with issues such as whether there are free and fair elections, competitive political parties, opposition with an important role and power, freedom from domination by a powerful group (such as military, foreign power, totalitarian parties), and participation by minority groups. Data are provided in the table for 1993, 1996, and 1998.

*Indicator:* Polity category description.

*Source:* Freedom House, *Freedom in the World 1998–99*.

*Definitions:* The polity category contains an encapsulated description of the dominant centers of freely chosen or unelected political power in each country. These descriptions refer to the latest (1998) data from the 1998–99 *Freedom in the World*. Most of the descriptions are self-explanatory, such as Communist one-party for Vietnam or parliamentary democracy for Ireland.

Nonparliamentary democracies (such as the United States) are designated as

presidential–legislative democracies. Only countries with powerful monarchs warrant a reference to the monarchy in the polity description.

Dominant-party polities are systems in which the ruling party (or front) dominates the government but allows other parties to organize or compete, short of taking control of the government.

Other types of polities include various military or military-influenced or -dominated regimes, and transitional systems. Countries with genuine federalism contain the word “federal” in their polity description.

**Table D.3. USAID Goal: Human Capacity Development**  
Selected Performance Indicators - Summary

	Net Primary Enrollment Ratios		Primary Gender Equity Ratio*		Percent of Cohorts Reaching 5th Grade	
	Baseline 1985-93	Latest 1994-96	Baseline 1993	Latest 1996	Baseline 1985-93	Latest 1994-96
<b>USAID-Assisted</b>	73.3	79.8	0.92	0.92	73.1	74.1
Sub-Saharan Africa	52.0	54.1	0.79	0.80	68.6	64.6
Asia/Near East	84.2	88.5	0.90	0.90	73.9	87.0
Europe/Eurasia	88.7	92.5	0.98	0.98	96.0	91.6
Latin America/Caribbean	83.7	88.1	0.99	0.96	67.2	74.1
<b>Non-Assisted Developing</b>						
Sub-Saharan Africa	n/a	n/a	n/a	n/a	n/a	n/a
Asia/Near East	n/a	n/a	n/a	n/a	n/a	n/a
Europe/Eurasia	n/a	n/a	n/a	n/a	n/a	n/a
Latin America/Caribbean	n/a	n/a	n/a	n/a	n/a	n/a
<b>High Income</b>	n/a	n/a	n/a	n/a	n/a	n/a
<b>All Countries</b>	n/a	n/a	n/a	n/a	n/a	n/a
<b>Income Levels</b>						
Low	n/a	n/a	n/a	n/a	n/a	n/a
Lower Middle	n/a	n/a	n/a	n/a	n/a	n/a
Upper Middle	n/a	n/a	n/a	n/a	n/a	n/a
High	n/a	n/a	n/a	n/a	n/a	n/a

*Notes:*

\* Primary Gender Equity Ratio based on gross enrollment levels.

See regional tables for country-level data.

Data for other aggregates not available.

USAID-assisted aggregates are unweighted averages

See table notes for source and definitions

**Table D.3. USAID Goal: Human Capacity Development**  
Selected Performance Indicators

	Net Primary Enrollment Ratio		Primary Gender Equity Ratio*		Percent of Cohorts Reaching Grade 5	
	1985-93	1994-96	1993	1995-96	1985-93	1994-96
<b>Sub-Saharan Africa</b>						
Angola	---	---	---	---	---	---
Benin	54.3	63.4	0.54	0.58	64.7	60.9
Congo (Kinshasa)	53.6	---	---	---	63.7	---
Eritrea	27.9	30.4	0.80	0.82	78.8	70.5
Ethiopia	20.4	27.9	0.62	0.56	51.1	55.3
Ghana	---	---	---	---	80.5	---
Guinea	36.5	---	0.50	0.54	79.7	54.1
Kenya	---	---	0.99	1.00	---	---
Liberia	---	---	---	---	---	---
Madagascar	70.4	60.6	1.00	1.00	27.4	39.7
Malawi	68.3	102.6	0.94	0.90	41.9	---
Mali	23.9	27.8	0.62	1.65	85.7	82.2
Mozambique	38.7	39.8	0.73	0.72	42.8	46.3
Namibia	89.4	91.2	1.02	1.01	81.9	78.6
Niger	22.6	24.5	0.55	0.62	76.8	72.6
Nigeria	---	---	0.78	---	---	---
Rwanda	75.4	---	---	---	58.9	---
Senegal	49.6	58.1	0.75	1.81	86.8	85.4
Somalia	9.8	---	---	---	---	---
South Africa	102.6	---	0.98	1.97	75.3	---
Tanzania	49.4	47.8	---	---	83.2	---
Uganda	56.9	---	0.85	0.84	---	---
Zambia	86.2	74.8	---	0.94	86.2	---
Zimbabwe	---	---	0.93	1.97	80.4	78.6

*Notes:*

\* Gender equity ratio based on gross enrollment rates

Source and definitions-see table notes

**Table D.3. USAID Goal: Human Capacity Development**  
Selected Performance Indicators

	Net Primary Enrollment Ratio		Primary Gender Equity Ratio*		Percent of Cohorts Reaching Grade 5	
	1985-93	1994-96	1993	1995-96	1985-93	1994-96
<b>Asia/Near East</b>						
Bangladesh	64	---	---	---	46.7	---
Burma (Myanmar)	0	0	0.96	0.00	---	---
Cambodia	---	97.7	0.83	0.83	49.2	---
Egypt	88.3	93	0.86	0.88	97.4	---
India	---	---	0.81	0.82	58.6	---
Indonesia	97.3	97	0.96	---	89.4	---
Israel	---	---	1.00	---	---	---
Jordan	---	---	---	---	98.4	---
Lebanon	---	76.1	0.97	0.96	---	---
Mongolia	93.9	81.4	1.06	1.05	---	---
Morocco	66.4	73.8	0.72	0.76	79.8	78.2
Nepal	64.3	---	0.69	---	52	---
Philippines	96.1	100.6	1.01	---	75.3	---
Sri Lanka	103	---	0.98	1.98	92.2	83.3
Vietnam	0	0	---	---	---	---
West Bank/Gaza	---	---	---	---	---	99.6

Notes:

\* Gender equity ratio based on gross enrollment rates

Source and definitions-see table notes



**Table D.3. USAID Goal: Human Capacity Development**  
Selected Performance Indicators

	Net Primary Enrollment Ratio		Primary Gender Equity Ratio*		Percent of Cohorts Reaching Grade 5	
	1985-93	1994-96	1993	1995-96	1985-93	1994-96
<b>Europe/Eurasia</b>						
Albania	---	101.7	1.03	1.02	---	82
Armenia	---	---	1.05	---	---	---
Azerbaijan	---	---	0.96	0.97	---	---
Belarus	---	85.3	0.99	0.96	---	---
Bosnia & Herzegovina	---	---	---	---	---	---
Bulgaria	85.2	91.8	0.96	0.98	90.6	---
Croatia	78.8	82.3	0.99	0.99	98.3	---
Georgia	---	87	0.94	1.99	---	---
Hungary	90.2	96.6	0.99	0.98	97.6	---
Kazakhstan	---	---	1.00	1.01	---	---
Kyrgyzstan	---	94.6	1.02	0.97	---	---
Latvia	83	89.5	0.97	0.94	---	---
Lithuania	---	---	0.92	0.97	---	---
Macedonia	94.4	95.3	---	---	95.2	95.4
Moldova	---	---	1.00	1.99	---	---
Poland	97.1	94.5	0.98	0.98	99.3	97.5
Romania	80.4	95.4	0.99	1.98	---	---
Russia	95.4	92.7	1.00	---	---	---
Slovak Republic	---	---	1.00	1.00	---	---
Tajikistan	---	---	0.97	0.97	---	---
Turkey	93.7	96.2	0.95	---	94.9	---
Turkmenistan	---	---	---	---	---	---
Ukraine	---	---	0.99	---	---	---
Uzbekistan	---	---	0.99	---	---	---

*Notes:*

\* Gender equity ratio based on gross enrollment rates

Source and definitions-see table notes

**Table D.3. USAID Goal: Human Capacity Development**  
Selected Performance Indicators

	Net Primary Enrollment Ratio		Primary Gender Equity Ratio*		Percent of Cohorts Reaching Grade 5	
	1985-93	1994-96	1993	1995-96	1985-93	1994-96
<b>Latin America/Caribbean</b>						
Bolivia	90.7	---	---	---	60.5	---
Brazil	88.1	89.7	---	---	70.8	---
Colombia	77.4	84.7	1.02	1.99	74.2	73
Dominican Republic	80.8	80.9	1.04	---	---	---
Ecuador	90.4	96.9	0.99	0.99	76.6	85.2
El Salvador	74.7	78.1	1.01	0.99	58.3	76.7
Guatemala	---	---	0.88	0.88	39.1	49.6
Guyana	88.5	89.5	1.00	0.99	---	---
Haiti	22.1	---	---	---	46.7	---
Honduras	90.2	---	1.01	---	59.8	---
Jamaica	100	---	0.98	1.99	95.5	---
Mexico	101	101.4	0.97	0.97	84.6	85.9
Nicaragua	79.2	77.6	1.03	1.03	54.2	---
Panama	91.4	---	---	---	81.5	---
Paraguay	94.3	91.2	0.97	1.97	71.3	---
Peru	86.5	90.8	---	0.97	---	---

Notes:

\* Gender equity ratio based on gross enrollment rates

Source and definitions-see table notes

**Table D.3. USAID Goal:  
Human Capacity Built Through  
Education and Training**

*Indicator:* Percent of the primary school age population enrolled.

*Source:* UNESCO database, 1999.

*Definition:* The net enrollment ratio is the ratio of the number of children of official school age enrolled in school to the number of children of official school age in the population. Primary, or first level, provides the basic elements of education at elementary or primary school. The duration of primary school varies from country to country. Using net enrollment ratios is preferable to gross enrollment ratios. Gross enrollment ratio is the ratio of total enrollment, regardless of age, to the population of the age group that officially corresponds to the primary school level. Thus, gross enrollment ratios do not correct for overage or underage enrollments, and a high ratio does not necessarily indicate a successful school system.

Net enrollment ratios do make such adjustments, but data are less readily available in many countries. The baseline data are from the 1985–93 time period, and the latest data are the most recent updates from 1994–96.

Regional averages are unweighted.

*Indicator:* Ratio of girls' enrollment ratio to boys' enrollment ratio.

*Source:* UNESCO database, 1999.

*Definition:* The indicator is the ratio of female to male gross enrollment ratios. A female/male participation ratio of 1 (or more) implies the gap or disparity has been eliminated and girls have equal access as boys to primary education. (This may be more easily thought of as the number of girls enrolled in primary school for every boy enrolled.) Data are for 1993 and 1996.

Regional averages are unweighted.

*Indicator:* Percent of cohort reaching fifth grade.

*Source:* UNESCO database, 1999.

*Definition:* The percentage of a cohort starting primary school that eventually attains the fifth grade. The proportion of a single-year cohort of students that eventually reaches fifth grade is calculated with the reconstructed cohort method. This method uses data on average promotion, repetition, and dropout rates to calculate the flow of students from one grade to the next. The percentage of the cohort reaching grade 5, rather than some other grade, is used to increase cross-country comparability (duration of primary schooling varies from 3 to 10 grades). The baseline data are from the 1985–93 time period, and the latest data are the most recent updates from 1994 through 96.

Regional averages are unweighted.

**Table D.4. USAID Goal: Population, Health, and Nutrition**  
Selected Performance Indicators - Summary

	Total Fertility Rate DHS/CDC Surveys		Under-5 Mortality Rate		Underweight Prevalence		Maternal Mortality Rate	Early Neonatal Mortality Rate	People Living With HIV/AIDS		
	Previous thru 1997	Latest thru 1999	1995	1997	1995	1997	1990-96	1990-98	Adults & Children end 1997	Adults Only end 1997	Adult Prev rate 1997
<b>USAID-Assisted</b>	4	3.9	80	79	26.3	25	348	25	24,507,050	23,542,860	2.68
Sub-Saharan Africa	5.6	5.5	156	154	28.1	29.9	736	30.1	18,109,600	17,169,200	7.86
Asia/Near East	3.9	3.8	75	66	35.5	29.9	404	22.4	4,887,950	4,890,110	0.40
Europe/Eurasia	2.8	2.7	30	25	---	---	34	---	183,600	182,950	0.04
Latin America/Caribbean	3.6	3.6	54	51	16.4	12.8	207	19.2	1,325,900	1,300,600	1.00
<b>Non-Assisted Developing</b>			91	89			386		4,262,150	4,353,752	3.11
Sub-Saharan Africa	na	na	142	143	na	na	703	na	2,701,100	2,719,400	7.16
Asia/Near East	na	na	70	79	na	na	288	na	1,317,600	1,343,001	0.21
Europe/Eurasia	na	na	16	14	na	na	22	na	2,050	52,051	0.05
Latin America/Caribbean	na	na	18	17	na	na	72	na	241,400	239,300	0.49
<b>High Income</b>	na	na	9	7	na	na	13	na	241,400	239,300	0.49
<b>All Countries</b>	na	na	71	69	na	na	296	na	30,134,750	29,255,362	2.37
<b>Income Levels</b>											
Low	na	na	135	136	na	na	646	na	na	na	na
Lower Middle	na	na	50	47	na	na	137	na	na	na	na
Upper Middle	na	na	36	33	na	na	117	na	na	na	na
High	na	na	9	8	na	na	12	na	na	na	na

*Notes:*

See regional tables for country-level data.

See Annex D text for definition of "USAID-assisted" and Income groups.

All regional aggregates are unweighted averages except HIV/AIDS data, which are totals and weighted average prevalence rates.

Source and definitions-see table notes.

**Table D.4. USAID Goal: Population, Health, and Nutrition**  
Selected Performance Indicators

	Total Fertility Rate/DHS*				Under-5		Underweight		Maternal	Early		People Living With HIV/AIDS		
	Previous	Latest			Mortality Rate		Prevalence		Mortality	Neonatal		Adults	Adults	Adult
	Survey	Year	Survey	Year	1995	1997	1995	1997	1990-96	Rate	Year	& Children	Only	Prev rate
												end 1997	end 1997	1997
<b>Sub-Saharan Africa</b>														
Angola					209	209	20.0	35.0	1500			110,000	100,000	2.12
Benin		6.3	1996		156	149	36.0	29.2	500	29.8	1996	54,000	52,000	2.06
Congo (Kinshasa)					---	148	35.0	34.4	870			950,000	900,000	4.35
Eritrea		6.0	1995		196	95	---	43.7	1000	0.0	1995	-	49,000	3.17
Ethiopia					188	175	46.9	47.7	1400			2,600,000	2,500,000	9.31
Ghana	6.4	1987	5.5	1993	116	102	27.4	27.3	740	33.6	1993	210,000	200,000	2.38
Guinea			5.7	1992	220	182	18.0	24.0	880			74,000	70,000	2.09
Kenya	5.4	1993	4.7	1998	90	112	22.5	22.5	650	21.6	1993	1,600,000	1,600,000	11.64
Liberia			6.5	1986	---	---	---	---	---	54.0	1986	44,000	42,000	3.65
Madagascar	6.1	1992	6.0	1997	127	158	32.1	34.1	500	29.6	1992	8,600	8,200	0.12
Malawi			6.7	1992	225	224	27.0	29.9	620	34.5	1992	710,000	670,000	14.92
Mali	6.9	1987	6.7	1996	192	235	---	40.0	580	45.9	1995/96	89,000	84,000	1.67
Mozambique			5.6	1997	190	201	---	26.1	1100	0.0	1997	1,200,000	1,200,000	14.17
Namibia			5.4	1992	78	101	---	26.0	220	27.5	1992	150,000	150,000	19.94
Niger	7.4	1992	7.5	1998	200	200	---	42.6	590	25.3	1992	65,000	61,000	1.45
Nigeria			6.0	1990	176	122	43.0	39.1	1000	32.9	1990	2,300,000	2,200,000	4.12
Rwanda			6.2	1992	200	209	27.8	29.4	1300	29.9	1992	370,000	350,000	12.75
Senegal	6.3	1993	5.7	1997	97	110	20.1	22.3	510	24.4	1997	75,000	72,000	1.77
Somalia			---	---	---	---	---	---	---			-	11,000	0.25
South Africa					67	65	---	9.0	230			2,900,000	2,800,000	12.91
Tanzania	5.6	1994	5.8	1996	133	136	28.0	30.6	530	23.8	1996	1,400,000	1,400,000	9.42
Uganda	7.4	1988	6.9	1995	160	162	23.3	25.5	550	23.3	1995	930,000	870,000	9.51
Zambia	6.5	1992	6.1	1996	180	189	26.8	23.5	650	26.0	1996	770,000	730,000	19.07
Zimbabwe	5.5	1988	4.3	1994	83	108	15.5	15.5	280	19.6	1994	1,500,000	1,400,000	25.84

## Notes:

DHS - Demographic and Health Surveys

Source and definitions-see table notes

Table D.4. USAID Goal: Population, Health, and Nutrition  
Selected Performance Indicators

	Total Fertility Rate/DHS*		Under-5 Mortality Rate		Underweight Prevalence		Maternal Mortality Rate	Early Neonatal Mortality		People Living With HIV/AIDS		Adult Prev rate		
	Previous Survey	Latest Survey	Year	Year	1995	1997	1995	1997	1990-96	Rate	Year	Adults & Children end 1997	Adults Only end 1997	1997
<b>Asia/Near East</b>														
Bangladesh	3.4	1993	3.3	1996	115	104	84.4	56.3	850	36.3	1996/97	21,000	21,000	0.03
Burma (Myanmar)					119	131	31.2	42.9	580			440,000	440,000	1.79
Cambodia					158	147	---	38.0	900			130,000	120,000	2.40
Egypt	1995	3.63	3.3	1997	76	66	9.4	15.2	170	23.7	1995	-	8,100	0.03
India			3.4	1993	95	88	53.0	53.4	440	35.6	1992/94	4,100,000	4,100,000	0.82
Indonesia	2.9	1994	2.8	1997	75	60	38.7	34.0	390	22.9	1994	52,000	51,000	0.05
Israel					9	8	---	---	7			-	2,100	0.07
Jordan	5.6	1990	4.4	1997	33	35	17.4	10.0	150	17.1	1990	-	660	0.02
Lebanon					40	32	---	3.0	300			-	1,500	0.09
Mongolia					74	68	10.2	12.3	65			<100	<100	0.01
Morocco	4.0	1992	3.3	1995	75	67	9.0	9.5	370	21.7	1995	-	5,000	0.03
Nepal			4.6	1996	131	117	69.6	46.9	1500	33.3	1996	26,000	25,000	0.24
Philippines	4.1	1993	3.7	1998	53	41	29.6	29.6	210	15.4	1993	24,000	23,000	0.06
Sri Lanka					19	19	37.6	37.7	30	12.7	1987	6,900	6,700	0.07
Vietnam					49	40	44.9	44.9	105			88,000	86,000	0.22
West Bank/Gaza					0	28	---	---	..			#N/A	#N/A	#N/A

Notes:

DHS - Demographic and Health Surveys

Source and definitions-see table notes



**Table D.4. USAID Goal: Population, Health, and Nutrition**  
Selected Performance Indicators

	Total Fertility Rate/DHS*		Under-5 Mortality Rate		Underweight Prevalence		Maternal Mortality Rate	Early Neonatal Mortality		People Living With HIV/AIDS		
	Previous Survey	Latest Survey Year	1995	1997	1995	1997	1990-96	Rate	Year	Adults & Children end 1997	Adults Only end 1997	Adult Prev rate 1997
<b>Europe/Eurasia</b>												
Albania			37	40	---	---	28			<100	<100	0.01
Armenia			24	20	---	---	21			<100	<100	0.01
Azerbaijan			31	23	---	10.1	44			<100	<100	<0.005
Belarus			20	17	---	---	22			9,000	9,000	0.17
Bosnia & Herzegovina			0	0	---	---	..				750	0.04
<hr/>												
Bulgaria			19	24	---	---	20			-	300	0.01
Croatia			18	10	---	0.6	12			-	300	0.01
Georgia			21	21	---	---	19			<100	<100	<0.005
Hungary			14	12	---	---	14			2,000	2,000	0.04
Kazakhstan		2.5 1995	35	29	---	8.3	53	8.5	1995	2,500	2,500	0.03
<hr/>												
Kyrgyzstan		3.4 1996	42	36	---	11.0	32	27.8	1997	<100	<100	<0.005
Latvia			20	19	---	---	15			<100	<100	0.01
Lithuania			19	13	---	---	13			<100	<100	0.01
Macedonia			31	17	---	---	22			<100	<100	0.01
Moldova			26	24	---	---	23			2,500	2,500	0.11
<hr/>												
Poland			16	12	---	---	5			12,000	12,000	0.06
Romania		1.6 1993	29	26	---	6.0	41			5,000	1,000	0.01
Russia		1.3 1996	21	25	---	3.0	53			40,000	40,000	0.05
Slovak Republic			15	13	---	---	8			<100	<100	<0.005
Tajikistan			61	36	---	---	58			<100	<100	<0.005
<hr/>												
Turkey		2.7 1993	63	50	---	10.3	180	22.7	1993	-	2,000	0.01
Turkmenistan			65	50	---	---	44			<100	<100	0.01
Ukraine			21	17	---	---	30			110,000	110,000	0.43
Uzbekistan		3.3 1996	48	31	---	18.8	24	18.0	1996	<100	<100	<0.005

*Notes:*

DHS - Demographic and Health Surveys  
Source and definitions-see table notes

Table D.4. USAID Goal: Population, Health, and Nutrition  
Selected Performance Indicators

	Total Fertility Rate/DHS*		Under-5		Underweight		Maternal Mortality Rate	Early Neonatal Mortality		People Living With HIV/AIDS				
	Previous Survey	Latest Survey	Year	Mortality Rate	Prevalence	Prevalence		Rate	Rate	Year	Adults & Children end 1997	Adults Only end 1997	Adult Prev rate 1997	
<b>Latin America/Caribbean</b>														
Bolivia	4.8	1994	4.2	1998	96	96	13.4	8.4	370	27.2	1994	2,600	2,600	0.07
Brazil			2.5	1996	57	44	18.4	5.7	160	14.3	1996	580,000	570,000	0.63
Colombia	2.9	1990	3.0	1995	31	30	10.1	8.4	100	15.1	1995	72,000	72,000	0.36
Dominican Republic	3.3	1991	3.2	1996	44	47	10.4	5.9	110	18.7	1996	83,000	81,000	1.89
Ecuador			3.8	1989	45	39	45.0	17.0	150	25.6	1987	18,000	18,000	0.28
El Salvador	3.9	1993	3.6	1998	42	39	21.6	11.2	300			18,000	18,000	0.58
Guatemala	5.6	1987	5.1	1995	58	55	---	26.6	190	20.7	1995	27,000	27,000	0.52
Guyana												10,000	10,000	2.13
Haiti			4.8	1995	101	125	26.8	27.5	600	18.3	1994/95	190,000	180,000	5.17
Honduras			4.9	1995	59	48	19.3	18.3	220			43,000	41,000	1.46
Jamaica	3.0	1993	2.8	1997	15	14	9.9	10.2	120			14,000	14,000	0.99
Mexico					41	38	---	14.0	110			180,000	180,000	0.35
Nicaragua			3.9	1998	61	57	11.9	11.9	160			4,100	4,100	0.19
Panama					28	26	7.0	6.1	55			9,000	8,800	0.61
Paraguay	4.7	1990	4.4	1995	52	28	3.7	---	190	15.2	1990	3,200	3,100	0.13
Peru	3.5	1991	3.5	1996	62	52	16.1	7.8	280	17.5	1996	72,000	71,000	0.56

Notes:

DHS - Demographic and Health Surveys  
Source and definitions-see table notes

**Table D.4. USAID Goal:  
World Population Stabilized  
And Human Health Protected**

*Indicator:* Total fertility rate.

*Source:* Demographic and Health Surveys, U.S. Bureau of the Census, International Database, December 1999.

*Definition:* The total fertility rate represents the number of children that would be born to a woman if she were to live to the end of her childbearing years and bear children in accordance with prevailing age-specific fertility rates. For countries, the latest DHS survey data and the previous survey (if available) are reported. For summary page, unweighted averages are displayed (CIHI calculations).

Regional averages are unweighted.

*Indicator:* Under-5 mortality rate.

*Source:* World Bank, *World Development Indicators*, 1997 and 1999.

*Definition:* Under-5 mortality rate is the probability that a newborn baby will die before reaching age 5, if subject to current age-specific mortality rates (per 1,000). Data are for 1995 and 1997.

Regional averages are unweighted.

*Indicator:* Percent of children under 5 years who are underweight (weight for age).

*Source:* World Bank, *World Development Indicators*, 1997 and 1999.

*Definition:* The percent of children under 5 who are moderately or severely underweight—below minus two standard deviations from median weight for age reference population (an international reference population defined by NCHS/CDC/WHO). Data are for 1995 and 1997 (USAID-assisted countries only).

Regional averages are unweighted.

*Indicator:* Maternal mortality rate.

*Source:* World Bank, *World Development Indicators*, 1999.

*Definition:* Maternal mortality rate is the number of women who die during pregnancy and childbirth, per 100,000 live births. Data are for the most recent year available, 1990–96.

Regional averages are unweighted.

*Indicator:* Early neonatal mortality rate.

*Source:* Demographic and Health surveys, compiled by Macro International, 1998.

*Definition:* Early neonatal mortality is the death of a live-born infant during the first week of life (0–6 days). The rate is the number of early neonatal deaths per 1,000 live births. Data are for the most recent survey year available, 1990–98.

Regional averages are unweighted.

*Indicator:* Adults and children living with HIV/AIDS and HIV/AIDS prevalence rate in the adult population.

*Source:* World Health Organization/UNAIDS, *Report on the Global HIV/AIDS Epidemic*, June 1998.

*Definition:* Estimated number of adults living with HIV/AIDS at the end of 1997 divided by the 1997 adult population. Adults are defined as ages 15–49; children are ages 0–14.

Number of people living with HIV/AIDS are totals. Prevalence rates are unweighted averages.

**Table D.5. USAID Goal: Environment**  
Selected Performance Indicators - Summary

	Government Commitment Index		Nationally Protected Areas thousand sq kms		CO2 emissions Average annual growth rate		Urban Access to Safe Water Sanitation Percent of urban population				GDP per Unit of Energy*		Total forest area thousands of sq.kms		
	1997	1999	1994	1997	1988-95	1995-96	1988-93	thru 1997	1988-93	thru 1997	1994	1996	1990	1995	1990-95
	<b>USAID-Assisted</b>	<b>12.6</b>	<b>14.6</b>	<b>3,017</b>	<b>3,203</b>	<b>-1.2</b>	<b>1.0</b>	<b>77.4</b>	<b>80.1</b>	<b>74.0</b>	<b>76.1</b>	<b>1.51</b>	<b>1.53</b>	<b>23,250</b>	<b>22,783</b>
Sub-Saharan Africa	13	14.5	870	993	-1.4	0.7	68.7	72.3	66.0	67.9	0.74	0.78	3,556	3,423	-133
Asia/Near East	12.3	14.8	479	572	5.9	6.0	78.1	82.1	71.0	78.2	2.01	2.03	2,594	2,488	-106
Europe/Eurasia	11.7	13.5	838	751	-9.6	-1.4	83.6	83.3	82.1	82.1	1.07	1.13	8,497	8,524	28
Latin America/Caribbean	13.6	16.3	830	887	5.1	0.5	83.2	85.6	76.1	78.6	2.45	2.39	8,603	8,348	-255
<b>Non-Assisted Developing</b>	<b>12.5</b>	<b>14.4</b>	<b>1,956</b>	<b>1,980</b>	<b>4.4</b>	<b>0.6</b>	<b>79.0</b>	<b>79.0</b>	<b>75.3</b>	<b>74.9</b>	<b>2.16</b>	<b>2.12</b>	<b>5,041</b>	<b>4,890</b>	<b>-152</b>
Sub-Saharan Africa	12.9	15.0	492	474	5.5	-1.0	69.1	68.5	67.2	68.5	1.77	1.90	1,745	1,693	-52
Asia/Near East	12.4	13.4	983	950	4.8	2.6	87.2	86.4	79.3	77.6	1.68	1.68	2,307	2,240	-67
Europe/Eurasia	10.6	14.3	18	21	-6.8	3.5	.	.	.	.	1.03	1.10	54	55	1
Latin America/Caribbean	13	14.9	463	534	3.7	-0.1	88.1	92.3	86.7	84.9	3.77	3.44	936	902	-35
<b>High Income</b>	<b>13.3</b>	<b>15.8</b>	<b>4,577</b>	<b>3,185</b>	<b>2.2</b>	<b>3.7</b>	<b>99.8</b>	<b>99.3</b>	<b>100.0</b>	<b>100.0</b>	<b>5.61</b>	<b>5.72</b>	<b>6,454</b>	<b>6,512</b>	<b>58</b>
<b>All Countries</b>	<b>12.7</b>	<b>14.8</b>	<b>9,551</b>	<b>8,368</b>	<b>1.1</b>	<b>1.4</b>	<b>80.1</b>	<b>82.0</b>	<b>79.0</b>	<b>79.8</b>	<b>2.61</b>	<b>2.64</b>	<b>34,745</b>	<b>34,185</b>	<b>-560</b>
<b>Income Levels</b>															
Low	12.4	13.9	1,411	1,640	0.0	1.1	69.3	71.3	62.9	65.4	0.96	1.00	6,447	6,207	-240
Lower Middle	13	15.1	2,342	2,274	1.1	-0.7	85.0	86.8	82.2	82.9	1.83	1.85	13,845	13,676	-168
Upper Middle	13	14.9	1,216	1,266	2.1	2.9	89.2	89.7	88.9	87.9	2.50	2.41	7,999	7,789	-210
High	13.3	15.8	4,581	3,188	2.4	3.6	99.8	99.4	100.0	100.0	5.61	5.71	6,455	6,513	58

*Notes:*

\* \$US per kilogram of oil equivalent

See regional tables for country-level data.

USAID-assisted aggregates are unweighted averages except for protected areas and forest area

See table notes for source and definitions

Table D.5. USAID Goal: Environment  
Selected Performance Indicators

	Government Commitment Index		Nationally Protected Areas (sq. kms)			CO2 emissions Average annual growth rate		Urban Access to Safe Water Sanitation Services				GDP per Unit of Energy*		Total Forest area	
	1997	1999	1994	1997	Change	1988-95	1995-96	1988-93	thru 1997	1988-93	thru 1997	1994	1996	1990-95	1990-95
<b>Sub-Saharan Africa</b>															
Angola	7	8	26,410	81,810	55,400	2.6	-21.9	75.0	69.0	25.0	71.0	0.8	0.9	-11,850	-1.03
Benin	14	16	7,780	7,775	-5	4.0	5.9	81.5	82.0	49.4	59.8	1.1	1.1	-2,980	-1.24
Congo (Kinshasa)	14	16	99,170	101,907	2,737	-8.8	5.6	62.0	88.7	45.8	53.4	0.5	0.5	-37,010	-0.66
Eritrea	10	10	0	5,006	5,006	--	--	.	.	.	12.0	.	.	0	0.00
Ethiopia	12	17	60,230	55,175	-5,055	2.7	-0.3	90.0	90.0	.	.	0.3	0.4	-3,120	-0.45
Ghana	14	16	11,040	11,035	-5	3.7	-0.2	76.0	88.0	61.0	75.0	1.0	1.0	-5,860	-1.25
Guinea	14	16	1,640	1,635	-5	1.2	1.0	78.0	55.0	24.0	24.0	.	.	-3,740	-1.14
Kenya	14	16	35,040	35,036	-4	4.6	1.4	74.0	74.0	69.0	69.0	0.7	0.7	-170	-0.26
Liberia	12	10	1,290	1,292	2	-12.6	2.3	50.0	58.0	.	.	.	.	-1,340	-0.58
Madagascar	12	15	11,150	11,187	37	1.5	-1.8	53.9	53.9	64.0	64.0	.	.	-6,500	-0.84
Malawi	14	15	10,590	10,585	-5	4.8	1.5	91.0	97.0	82.0	94.0	.	.	-2,730	-1.56
Mali	15	17	40,120	45,319	5,199	2.4	1.6	41.9	55.6	100.0	60.8	.	.	-5,690	-0.95
Mozambique	14	16	20	47,790	47,770	-0.9	0.4	44.0	44.0	53.0	68.0	0.2	0.3	-5,810	-0.68
Namibia	14	16	102,180	106,157	3,977	--	--	62.0	62.0	78.0	78.0	.	.	-2,100	-0.34
Niger	15	16	84,160	96,941	12,781	1.6	0.3	58.0	70.0	69.1	78.8	.	.	0	0.00
Nigeria	14	16	29,710	30,204	494	4.7	-8.4	69.0	79.5	89.0	82.1	0.3	0.4	-6,070	-0.86
Rwanda	8	11	3,270	3,621	351	-1.6	0.0	.	79.0	.	.	.	.	-20	-0.16
Senegal	14	16	21,800	21,802	2	2.0	0.0	82.0	90.0	.	68.0	1.7	1.8	-2,480	-0.66
Somalia	10	4	1,800	1,800	0	-46.5	33.3	.	.	.	.	.	.	-60	-0.16
South Africa	14	16	69,700	65,779	-3,921	0.7	-4.8	.	90.0	.	78.0	1.3	1.4	-750	-0.18
Tanzania	14	16	139,360	138,164	-1,196	0.7	0.2	65.0	65.0	97.0	97.0	0.3	0.3	-16,130	-0.96
Uganda	14	16	19,090	19,097	7	3.5	1.1	45.0	60.0	40.0	60.0	.	.	-2,960	-0.94
Zambia	14	17	63,640	63,636	-4	-2.6	2.8	76.0	66.0	76.0	66.0	0.6	0.6	-13,220	-0.82
Zimbabwe	15	16	30,680	30,677	-3	2.7	-5.5	99.1	99.1	99.2	99.2	0.7	0.7	-2,500	-0.56

Notes:

\* \$US per kilogram of oil equivalent.

Source and definitions-see table notes

**Table D.5. USAID Goal: Environment**  
Selected Performance Indicators

	Government Commitment Index		Nationally Protected Areas (sq. kms)			CO2 emissions Average annual growth rate		Urban Access to Safe Water Sanitation Services				GDP per Unit of Energy*		Total Forest area	
	1997	1999	1994	1997	Change	1988-95	1995-96	Percent of urban population		Percent of urban population		1994	1996	Change	Pct
								1988-93	thru 1997	1988-93	thru 1997			1990-95	1990-95
<b>Asia/Near East</b>						<b>5.93</b>	<b>6.03</b>								
Bangladesh	14	15	970	980	10	6.2	9.7	47.0	49.1	42.0	41.1	1.6	1.7	-440	-0.85
Burma (Myanmar)	14	16	1,730	1,731	1	8.1	4.1	37.9	78.1	44.2	56.3	.	.	-19,370	-1.37
Cambodia	10	11	29,980	28,632	-1,348	1.5	0.0	20.0	20.0	.	.	.	.	-8,190	-1.59
Egypt	12	19	7,930	7,932	2	3.6	5.8	95.1	95.0	100.0	95.0	1.7	1.6	0	0.00
India	14	16	143,370	142,728	-642	5.9	10.7	86.8	86.8	45.7	45.7	0.8	0.8	360	0.01
Indonesia	14	17	185,640	175,085	-10,555	8.9	4.3	86.2	87.3	80.7	87.7	1.6	1.6	-54,220	-0.96
Israel	14	15	3,080	3,077	-3	7.5	1.1	100.0	100.0	100.0	100.0	5.4	5.6	0	0.00
Jordan	14	16	2,900	2,980	80	--	--	98.0	98.0	91.0	91.0	1.4	1.5	-60	-2.47
Lebanon	12	14	40	35	-5	9.0	4.1	95.0	95.0	.	.	.	.	-260	-7.79
Mongolia	14	16	61,680	161,291	99,611	-4.1	5.0	100.0	100.0	100.0	100.0	.	.	0	0.00
Morocco	14	15	3,690	3,159	-531	5.0	-2.1	.	.	.	.	4.1	4.2	-590	-0.30
Nepal	13	16	11,090	11,115	25	10.0	4.0	60.0	61.0	34.0	74.0	0.6	0.7	-2,740	-1.10
Philippines	14	17	6,060	14,529	8,469	5.5	2.7	80.5	91.0	76.3	88.0	2.1	2.1	-13,120	-3.48
Sri Lanka	14	16	7,960	8,586	626	8.8	19.7	87.0	88.0	67.0	81.0	2.1	2.0	-1,010	-1.09
Vietnam	15	17	13,340	9,943	-3,397	7.0	15.3	100.0	100.0	.	.	0.7	0.7	-6,760	-1.42
West Bank/Gaza	8	0				--	--					.	.		

Notes:

\* \$US per kilogram of oil equivalent.

Source and definitions-see table notes



Table D.5. USAID Goal: Environment  
Selected Performance Indicators

	Government Commitment Index		Nationally Protected Areas (sq. kms)			CO2 emissions Average annual growth rate		Urban Access to Safe Water Sanitation Services Percent of urban population				GDP per Unit of Energy*		Total Forest area	
	1997	1999	1994	1997	Change	1988-95	1995-96	1988-93	thru 1997	1988-93	thru 1997	1994	1996	Change	Pct
														1990-95	1990-95
<b>Europe/Euasia</b>						<b>-9.55</b>	<b>-1.38</b>								
Albania	8	8	340	756	416	-20.4	-8.8	97.0	97.0	97.0	97.0	2.0	2.2	0	0.00
Armenia	5	10	2,140	2,139	-1	0.3	1.2	.	.	.	.	1.9	1.7	420	2.72
Azerbaijan	13	11	1,910	4,757	2,847	-10.5	-9.8	.	.	67.1	67.1	0.2	0.3	0	0.00
Belarus	12	13	2,650	8,640	5,990	-14.3	4.1	.	.	.	.	0.8	0.8	3,440	0.96
Bosnia & Herzegovina	12	6	250	249	-1	-2.3	4.0	.	.	71.0	71.0	.	.	0	0.00
Bulgaria	14	17	3,700	4,910	1,210	-5.1	-2.5	.	.	100.0	100.0	0.6	0.5	30	0.02
Croatia	10	17	3,920	3,749	-171	1.4	4.4	79.4	75.2	73.1	71.3	2.5	2.8	10	0.01
Georgia	16	16	1,870	1,945	75	-36.7	-21.8	.	.	.	.	1.0	2.1	0	0.00
Hungary	14	15	5,740	6,287	547	-4.2	5.8	.	.	100.0	100.0	1.8	1.8	1,250	0.89
Kazakhstan	11	13	9,680	73,366	63,686	-9.7	-18.5	.	.	.	.	0.4	0.5	9,640	1.94
Kyrgyzstan	6	6	2,840	6,880	4,040	-13.0	-21.6	93.4	93.4	87.0	87.0	1.2	1.2	0	0.00
Latvia	14	15	7,750	7,745	-5	-10.2	-0.4	91.0	92.0	89.0	90.0	1.4	1.5	0	0.00
Lithuania	12	13	6,250	6,456	206	-13.6	2.2	.	.	.	.	0.8	0.8	560	0.58
Macedonia	10	14	2,170	1,801	-369	0.5	18.3	.	.	68.0	68.0	.	.	-10	-0.02
Moldova	12	12	120	390	270	-18.8	2.5	97.5	97.6	95.8	95.8	0.7	0.6	0	0.00
Poland	13	17	30,690	29,111	-1,579	-3.6	4.8	89.2	89.2	100.0	100.0	1.1	1.2	600	0.14
Romania	14	17	10,740	10,737	-3	-8.7	-1.7	69.0	69.0	80.7	80.7	0.7	0.7	-60	-0.02
Russia	14	17	705,360	516,704	-188,656	-5.3	-7.5	.	.	.	.	0.6	0.5	0	0.00
Slovak Republic	12	19	10,160	10,462	302	-5.6	10.0	.	.	.	.	1.0	1.1	120	0.12
Tajikistan	9	12	860	5,870	5,010	-40.4	11.9	86.0	86.0	83.0	83.0	0.6	0.5	0	0.00
Turkey	12	12	10,710	10,713	3	4.5	3.0	71.5	71.5	99.0	99.0	2.8	2.8	0	0.00
Turkmenistan	12	13	11,120	19,770	8,650	2.7	-6.8	80.0	80.0	70.0	70.0	0.4	0.3	0	0.00
Ukraine	11	15	4,850	8,983	4,133	-12.2	-8.8	76.8	76.8	69.8	69.8	0.6	0.5	270	0.06
Uzbekistan	14	16	2,440	8,499	6,059	-4.3	2.8	72.2	72.2	46.0	46.0	0.5	0.5	11,300	2.68

Notes:

\* \$US per kilogram of oil equivalent.

Source and definitions-see table notes

**Table D.5. USAID Goal: Environment**  
Selected Performance Indicators

	Government Commitment Index		Nationally Protected Areas (sq. kms)			CO2 emissions Average annual growth rate		Urban Access to Safe Water Sanitation Services Percent of urban population				GDP per Unit of Energy*		Total Forest area Change Pct	
	1997	1999	1994	1997	Change	1988-95	1995-96	1988-93	thru 1997	1988-93	thru 1997	1994	1996	1990-95	1990-95
<b>Latin America/Caribbean</b>						<b>5.10</b>	<b>0.53</b>								
Bolivia	14	17	92,330	156,015	63,685	12.6	1.2	82.0	88.0	64.0	77.0	1.9	1.9	-29,070	-1.16
Brazil	14	17	321,890	355,482	33,592	2.9	9.2	99.0	80.0	83.0	74.0	4.4	4.4	-127,720	-0.46
Colombia	14	15	93,810	93,578	-232	4.0	-3.2	90.0	90.0	70.0	70.0	2.6	2.6	-13,110	-0.49
Dominican Republic	13	15	10,480	15,230	4,750	4.4	-0.1	75.0	88.0	75.0	89.0	2.3	2.5	-1,320	-1.59
Ecuador	13	17	111,140	119,270	8,130	2.7	5.4	79.0	81.0	69.0	70.0	2.4	2.1	-9,450	-1.62
El Salvador	14	17	50	52	2	12.0	-21.7	95.0	82.0	91.0	89.0	2.5	2.4	-190	-3.27
Guatemala	14	17	13,330	18,247	4,917	8.1	-5.2	84.0	97.0	82.0	91.0	2.8	2.9	-4,120	-2.02
Guyana	14	16	590	585	-5	-4.3	2.0	100.0	100.0	87.0	87.0	.	.	-430	-0.05
Haiti	8	10	100	97	-3	-8.5	14.5	55.0	38.0	43.0	43.0	1.8	1.4	-40	-3.43
Honduras	14	17	8,620	11,119	2,499	6.2	-1.7	90.0	91.0	91.0	91.0	1.4	1.4	-5,110	-2.31
Jamaica	14	18	20	15	-5	8.2	5.3	92.0	92.0	89.0	99.0	1.3	1.1	-790	-7.18
Mexico	14	17	98,540	45,526	-53,014	3.5	7.7	90.0	90.0	81.0	93.0	2.2	2.1	-25,400	-0.89
Nicaragua	14	16	9,030	9,033	3	4.3	2.2	74.0	93.0	.	88.0	0.8	1.0	-7,540	-2.51
Panama	14	18	13,260	14,212	952	15.3	-2.8	100.0	99.0	100.0	99.0	3.8	3.6	-3,180	-2.13
Paraguay	15	18	14,950	14,009	-941	8.3	-4.8	50.0	70.0	56.0	20.0	2.4	2.1	-16,330	-2.61
Peru	14	15	41,760	34,618	-7,142	1.7	0.4	76.0	91.0	60.0	78.0	4.3	4.3	-10,840	-0.32

*Notes:*

\* \$US per kilogram of oil equivalent.

Source and definitions-see table notes

**Table D5. USAID Goal: World's Environment Protected For Long-Term Sustainability**

*Indicator:* Government Environmental Commitment Index. 20-point scale.

*Sources:* Data are from the World Resources Institute, UNEP, and UNDP's *World Resources 1994–95*; the World Resources Institute, International Institute for Environment and Development, and IUCN's *1996 World Directory of Country Environmental Studies*; and the World Bank Environment Department's *1996 National Environmental Strategies: Learning from Experience*. The information was obtained from the World Bank, *World Development Indicators, 1999*. Also various environmental treaty secretariats and other online resources.

*Definitions:* See environment chapter for detailed description of the USAID Index.

Regional averages are unweighted.

*Indicator:* Average annual growth rate of carbon dioxide emissions.

*Source:* Data on CO<sub>2</sub> emissions are based on several sources as reported by the World Resources Institute. The main source is the Carbon Dioxide Information Analysis Center, Environmental Sciences Division, Oak Ridge National Laboratory.

*Definition:* Carbon dioxide (CO<sub>2</sub>) emissions from industrial processes are those stemming from the burning of fossil fuels, manufacture of cement, and gas-flaring. Data are reported in millions of metric tons of CO<sub>2</sub> emissions. The growth rate is computed by using the

least-squares method and CO<sub>2</sub> emissions for 1988–95 for the baseline and 1995–96 for the most recent data.

Regional averages are unweighted.

*Indicator:* Nationally protected areas.

*Source:* Data on protected areas are from the World Conservation Monitoring Center's Protected Areas Data Unit and were obtained from *World Resources, 1998–99*.

*Definition:* Nationally protected areas are totally or partially protected areas of at least 1,000 hectares (4 square miles) that are designated as national parks, natural monuments, nature reserves or wildlife sanctuaries, protected landscapes and seascapes, or scientific reserves with limited public access. The data do not include sites protected under local or provincial law. Data on nationally protected areas are in thousand square kilometers for the baseline period 1994 and recent updates from for 1997.

Regional totals are aggregates of protected lands.

*Indicator:* Percent of the urban population with access to safe drinking water.

*Source:* World Health Organization, obtained from World Bank, *World Development Indicators, 1999*.

*Definition:* Reasonable access to safe drinking water in an urban area is defined by the World Health Organization as access to piped water or a public standpipe within 200 meters of a dwelling or housing unit. The WHO data are collected from national government agencies. Definitions of urban

populations and services may vary and might not be strictly comparable. Data are for the latest data during 1988–95 and recent updates through 1997.

Regional averages are unweighted.

*Indicator:* Percent of the urban population with access to sanitation services.

*Source:* World Health Organization, obtained from World Bank, *World Development Indicators*, 1999.

*Definition:* Urban areas with access to sanitation services are defined as urban populations served by connections to public sewers or household systems such as pit privies, pour-flush latrines, septic tanks, communal toilets, or other such facilities. The WHO data were collected from national government agencies. Definitions of urban populations and services may vary and might not be strictly comparable. Data are for the latest data during 1988–95 and recent updates through 1997.

Regional averages are unweighted.

*Indicator:* GDP per unit of energy use.

*Source:* World Bank, *World Development Indicators*, 1999. Original source for commercial energy production is the International Energy Agency.

*Definition:* GDP per unit of energy use is the U.S.-dollar estimate of real GDP (at \$US 1995 prices) per kilogram of oil equivalent of commercial energy use. Commercial energy use refers to apparent consumption, equal to indigenous production plus imports and stock changes, minus exports and fuels supplied to ships and aircraft engaged in international transportation. Data are

for 1994 for the baseline and 1996 for the most recent data.

Regional averages are unweighted.

*Indicator:* Average annual change in total forest area.

*Source:* UN Food and Agriculture Organization, *State of the World's Forests*, 1997.

*Definition:* Total forest area includes both natural forest and plantation area. The change in natural forests includes the permanent conversion of natural forest area to other uses, including shifting cultivation, permanent agriculture, ranching, settlements, or infrastructure development.

Deforested areas do not include areas logged but intended for regeneration or areas degraded by fuelwood gathering, acid rain, or forest fires. Thus, these data do not reflect the full extent of forest and biodiversity losses through degradation. Plantation refers to forest stands established artificially by reforestation for industrial and nonindustrial uses.

FAO data may be particularly unreliable owing to differing national definitions and reporting systems. Data on total forest area are provided in thousands of square kilometers for the most recent year available, 1995. Total change during 1990–95 is expressed in square kilometers lost or gained. Negative numbers indicate a net loss of forestland, whereas positive numbers indicate a net gain. An average annual percent change is also calculated.

Regional totals are aggregates of forest area.

**Table D.6. USAID Goal: Humanitarian Assistance**  
Selected Performance Indicators - Summary

	People Displaced by Open Conflict			
	Internally displaced and refugees ('000s)			
	1995	1996	1997	1998
<b>USAID-Assisted</b>	<b>19,875.0</b>	<b>16,190.1</b>	<b>14,014.9</b>	<b>14,458.2</b>
Sub-Saharan Africa	8,722.1	5,935.6	4,377.2	4,842.6
Asia/Near East	3,040.0	3,064.9	3,139.2	3,197.1
Europe/Eurasia	6,768.9	5,903.5	4,834.3	4,007.5
Latin America/Caribbean	1,344.0	1,286.2	1,664.2	2,411.0
<b>Non-Assisted Developing</b>	<b>11,629.1</b>	<b>12,340.0</b>	<b>12,309.2</b>	<b>12,479.5</b>
Sub-Saharan Africa	6,684.1	6,495.7	6,353.6	6,545.4
Asia/Near East	4,770.3	5,717.5	5,614.5	5,397.3
Europe/Eurasia	170.8	126.0	341.1	536.5
Latin America/Caribbean	3.9	0.9	0.1	0.3
Palestinians*	3,286.1	3,718.5	3,743.0	3,816.5
Other/Unidentified**	667.8	579.2	951.4	706.1
<b>High Income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>All Countries</b>	<b>35,457.9</b>	<b>32,827.8</b>	<b>31,018.4</b>	<b>31,460.3</b>

*Notes:*

\*Palestinians are counted as refugees by US Committee for Refugees, however they are not included in USAID assisted. This number is, effectively the total population of West Bank and Gaza Strips.

\*\*Other/Unidentified are refugees whose country of origin cannot be documented.

See regional tables for country-level data.

For Freedom House data see Table D.2

Insufficient data for crude mortality rate and child nutrition in emergency situations

See table notes for source and definitions

**Table D.6. USAID Goal: Humanitarian Assistance**  
Selected Performance Indicators

	<b>Persons Displaced by Open Conflict</b>			
	Internally displaced and refugees			
	1995	1996	1997	1998
<b>Sub-Saharan Africa</b>				
Angola	1,813,000	1,420,000	1,423,000	1,553,300
Benin	---	---	---	---
Congo (Kinshasa)	283,600	516,800	232,000	436,000
Eritrea	342,500	343,100	322,500	423,100
Ethiopia	110,700	58,000	48,300	189,600
Ghana	160,000	30,000	32,000	31,000
Guinea	---	---	---	---
Kenya	218,000	108,000	158,000	208,000
Liberia	1,725,000	1,755,000	975,000	385,000
Madagascar	---	---	---	---
Malawi	---	---	---	---
Mali	100,000	80,000	16,000	3,000
Mozambique	597,000	---	---	---
Namibia	---	---	---	---
Niger	20,000	16,000	11,000	---
Nigeria	---	32,600	50,000	3,000
Rwanda	2,045,000	257,000	93,000	512,000
Senegal	17,000	17,000	17,000	20,000
Somalia	780,300	717,100	685,850	666,600
South Africa	500,000	500,000	3,500	---
Tanzania	---	---	---	---
Uganda	10,000	85,000	310,000	412,000
Zambia	---	---	---	---
Zimbabwe	---	---	---	---

*Notes:*

For Freedom House data see Table D.2

Insufficient data for crude mortality rate and child nutrition in emergency situations

Source and definitions-see table notes

**Table D.6. USAID Goal: Humanitarian Assistance**  
Selected Performance Indicators

	<b>Persons Displaced by Open Conflict</b>			
	Internally displaced and refugees			
	1995	1996	1997	1998
<b>Asia/Near East</b>				
Bangladesh	48,000	53,000	40,000	50,000
Burma (Myanmar)	910,400	934,300	965,000	988,100
Cambodia	81,300	66,400	107,000	73,000
Egypt	---	---	---	---
India	250,000	263,000	213,000	535,000
Indonesia	9,500	10,000	8,200	8,000
Israel	---	---	---	---
Jordan	---	---	---	---
Lebanon	400,000	450,000	450,000	425,000
Mongolia	---	---	---	---
Morocco	---	---	---	---
Nepal	---	---	---	---
Philippines	100,000	---	175,000	167,000
Sri Lanka	946,000	1,000,150	900,000	670,000
Vietnam	294,800	288,000	281,000	281,000
West Bank/Gaza	---	---	---	---

*Notes:*

For Freedom House data see Table D.2

Insufficient data for crude mortality rate and child nutrition in emergency situations

Source and definitions-see table notes



**Table D.6. USAID Goal: Humanitarian Assistance**  
Selected Performance Indicators

<b>Persons Displaced by Open Conflict</b>				
Internally displaced and refugees				
	1995	1996	1997	1998
<b>Europe/Eurasia</b>				
Albania	---	---	---	---
Armenia	185,000	247,000	258,000	240,000
Azerbaijan	1,060,000	788,000	768,000	794,000
Belarus	---	---	---	---
Bosnia & Herzegovina	2,405,500	2,004,850	1,357,400	1,178,600
Bulgaria	---	---	---	---
Croatia	240,000	485,000	444,550	370,000
Georgia	385,000	390,000	286,000	303,000
Hungary	---	---	---	---
Kazakhstan	---	---	---	---
Kyrgyzstan	---	---	---	---
Latvia	---	---	---	---
Lithuania	---	---	---	---
Macedonia	---	---	---	---
Moldova	---	---	---	---
Poland	---	---	---	---
Romania	---	---	---	---
Russia	260,000	406,000	381,150	350,500
Slovak Republic	---	---	---	---
Tajikistan	170,400	265,600	32,400	15,100
Turkey	2,015,000	1,265,000	1,260,800	711,300
Turkmenistan	---	---	---	---
Ukraine	---	---	---	---
Uzbekistan	48,000	52,000	46,000	45,000

*Notes:*

For Freedom House data see Table D.2

Insufficient data for crude mortality rate and child nutrition in emergency situations

Source and definitions-see table notes

**Table D.6. USAID Goal: Humanitarian Assistance**  
Selected Performance Indicators

	<b>Persons Displaced by Open Conflict</b>			
	Internally displaced and refugees			
	1995	1996	1997	1998
<b>Latin America/Caribbean</b>				
Bolivia	---	---	---	---
Brazil	---	---	---	---
Colombia	600,100	600,000	1,000,300	1,400,600
Dominican Republic	---	---	---	---
Ecuador	---	---	---	---
El Salvador	12,400	12,000	4,400	250,150
Guatemala	234,150	234,650	280,000	401,300
Guyana	---	---	---	---
Haiti	900	---	600	600
Honduras	---	---	---	---
Jamaica	---	---	---	---
Mexico	---	---	---	---
Nicaragua	15,950	19,000	18,900	18,000
Panama	---	---	---	---
Paraguay	---	---	---	---
Peru	480,450	420,500	360,000	340,350

*Notes:*

For Freedom House data see Table D.2

Insufficient data for crude mortality rate and child nutrition in emergency situations

Source and definitions-see table notes

**Table D6. USAID Goal: Lives Saved, Suffering Associated With Natural or Man-Made Disasters Reduced, and Conditions Necessary for Political Or Economic Development Reestablished**

*Indicator:* Number of people displaced by open conflict.

*Source:* U.S. Committee on Refugees, *World Refugee Surveys, 1996–99.*

*Definition:* Number of people displaced by open conflict is defined here as the

number of refugees by country of origin and the number of internally displaced people. Refugees are “externally displaced” persons recognized to be outside their country of nationality or habitual residence (that is, their country of origin). These are persons displaced by man-made disasters, violence, or conflict, or they are asylum seekers; they do not include people displaced by natural disasters. The quality of the data varies greatly. This indicator should be treated as a proxy and interpreted with caution. The number of displaced people are reported from 1995 through 1998.

Management Sciences International Inc. was a prime contractor to the Bureau for Policy and Program Coordination during fiscal years 1998 and 1999. Building on experience from past USAID Performance Reports, from the Government Performance and Results Act, and from Office of Management and Budget guidance, MSI suggested timelines and provided logistical support for the fiscal year 1999 Agency Performance Report.

The International Science and Technology Institute was a prime contractor to PPC Bureau during fiscal years 1998 and 1999. ISTI played several roles to support the FY99 APR. The institute helped populate the Performance Monitoring and Analysis database with information in the R4s provided by USAID operating units. ISTI performed many supplementary analyses assessing the extent to which operating units met their reported targets and other related performance analyses. Direct-hire staff used these analyses to assess performance across given goal areas.

DevTech holds the PPC/Center for Development Information and Evaluation contract for the Economic and Social Data Service, which produces all statistical reports used in the analysis of target versus actual performance for each Agency performance goal.

Conwal Incorporated served as the professional editor for the first, second, and final drafts of the FY99 APR. Following the USAID Administrator's approval of the final draft, Conwal prepared a "desktopped" version for printing and final production.

PricewaterhouseCoopers was awarded the PPC contract for Agency support in implementing Integrated Management for Results on 30 September 1999. The company provided word processing support in the production of the second draft of the FY99 APR.

The Academy for Educational Development manages the Research and Reference Services contract for PPC. The academy compiles all Agency evaluations into a database accessible internally and externally through the USAID Web site. AED prepared an evaluation of the Agency's Impact Evaluations for the FY99 APR and summarized FY98 and FY99 reports conducted by the Government Accounting Office and the Inspector General on USAID management issues. This information is incorporated into chapter 7 and annex C of the FY99 APR.

Goodway Inc. printed, bound, and produced the FY99 APR.

## Annex

# E

## Involvement Of Nonfederal Parties





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