![USAID – FROM THE AMERICAN PEOPLE]

FISCAL YEAR 2008
ANNUAL PERFORMANCE REPORT

USAID ADMINISTRATOR'S STATEMENT ON THE PERFORMANCE DATA

" **I am pleased to certify that the performance, financial, and budget data are complete and reliable. It is USAID's policy[1] that all performance data reported to the American public are assessed against standards of validity, integrity, precision, reliability, and timeliness to identify the strengths and weaknesses of the data and extent to which it can be trusted for programmatic decisions. Every head of mission endorses the validity of the performance data when transmitting its annual performance report.''**

HENRIETTA H. FORE
USAID ADMINISTRATOR AND DIRECTOR OF U.S. FOREIGN ASSSISTANCE

1. http://www.usaid.gov/policy/ads/200/203.pdf, p. 20-23

ABOUT THIS REPORT

The Annual Performance Report presents an assessment of the United States Agency for International Development's (USAID's) performance for fiscal year (FY) 2008. The Report is part of a series in the Office of Management and Budget's *Pilot Program for Alternative Approaches to Performance and Account-ability Reporting*. The other reports in the series are: 1) the Agency Financial Report; 2) a Snapshot of budget, program and financial performance; 3) the Citizens' Report; and 4) the Annual Performance Plan. USAID opted to participate in this voluntary pilot program for the second year in order to present more com-plete and readily accessible information on its performance to the American public and the U.S. Congress. The Agency will submit its FY 2010 Annual Performance Plan in conjunction with the Congressional Budget Justification in spring 2009. Together, the reports fulfill the Agency's compliance with the Government Performance and Results Act reporting requirements.

The FY 2007 Annual Performance Report was jointly prepared by USAID and the Department of State and pre-sented in conjunction with the FY 2009 Congressional Budget Justification.

Cover Photo: Children playing at new faucets installed by USAID in their rural school in Santa Maria Ixtahuacán, Sololá, Guatemala.

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A MESSAGE FROM THE AGENCY PERFORMANCE IMPROVEMENT OFFICER

Angelique M. Crumbly

I am pleased to present the United States Agency for International Development's (USAID's) fiscal year (FY) 2008 Annual Performance Report (APR) to the U.S. Congress and the American people. USAID has a proven commitment to managing for results and a long history of assessing its programs annually. All USAID operating units are guided by the Automated Directives System (ADS), which is the official repository for all USAID policies and procedures. The ADS Series 200[1] on planning, achieving, and monitoring and evaluation specifically guides USAID programming. For example, Agency policy, contained in the ADS, requires that all Missions and Offices develop and report annually against a Performance Management Plan on the progress towards their program objectives. Further, it requires that all performance data reported to the American public are assessed on the merits of validity, integrity, precision, reliability, and timeliness. USAID is committed to program evaluation and is currently focused on re-energizing its central evaluation function with the establishment of a Central Evaluation Unit in the Bureau for Management.

USAID shares a joint strategic plan with the Department of State for FY 2007–2012[2] which outlines seven strategic goals for diplomacy, development, and humanitarian assistance. USAID contributes directly to five of these goals:

- Achieving Peace and Security
- Governing Justly and Democratically
- Investing in People
- Promoting Economic Growth and Prosperity
- Providing Humanitarian Assistance

Progress toward these goals[3] is the basis for this report.

A representative set of 37 indicators illustrates the Agency's contributions to U.S. foreign assistance in FY 2008. These indicators come from a variety of primary and third-party data sources and reflect major U.S. Government funding, initiatives, and foreign policy priorities. Since this is only the second performance report since the foreign assistance reforms in 2006, for many of the indicators there are not enough past data to reflect a trend. Although the scope and complexity of the Agency's programs preclude linking resources to each indicator, the performance measures are grouped into clearly defined strategic priority areas that in turn are linked to budget requests and higher-level outcomes. This report contains a complete discussion of USAID's strategic goals, performance measures, and results.

Examples of FY 2008 program results include:

- **Improved Health Outcomes.** There is a dramatic increase in the number of people receiving HIV/AIDS treatment, from 1.3 million in FY 2007 to 2.0 million in FY 2008, a result that is shared with other United States Government agencies. Zambia experienced a decrease in malaria parasite prevalence by 54 percent – from 21.8 percent to 10.1 percent – from 2006 to 2008 in children less than five years of age. In addition, severe anemia decreased 68 percent in Zambia – from 13.3 percent to 4.3 percent – in this same age group. These results reflect a major improvement in children's health status with the increase in malaria prevention and treatment interventions.

- **Improved Community Stability.** In Colombia, USAID supported a program that provides social and economic assistance to individuals who are displaced by the drug-fueled violence. A group of these individuals received business skills training and small loans to form a cooperative in their community. The loans proved successful and the business now generates more than 100 direct and indirect jobs.

- **Improved Governance.** USAID continues to be a major force in developing independent technical media around

the world, in places such as Kosovo. Funding from USAID and other donors built 10 towers in Kosovo that now broadcast signals which reach more than 70 percent of the population with television and 90 percent of the population with radio. A USAID-funded program in Tanzania trained 250 journalists on a recently formed public expenditure tracking process, resulting in more than 600 stories in the media on corruption, good governance, and accountability.

- Emergency Relief. USAID responded to more than 80 disasters in 63 different countries by providing more than $500 million to those in need. These responses include providing more than $28 million for emergency relief commodities and programs towards mitigating the impact of Cyclone Nargis in Burma and $29 million worth of humanitarian assistance for Haiti.
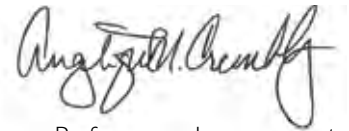
USAID's performance scores on the President's Management Agenda improved significantly this year – Financial Performance, Human Capital Management, Performance Improvement, and Faith-based and Community Initiatives achieved "green ratings" for status and progress. Improved recruitment strategies resulted in hiring the largest number of Foreign Service officers in more than 15 years, within the shortest timeframe. Better outreach, in-reach, and capacity-building initiatives have resulted in greater opportunities for faith-based and community organizations to establish partnerships with USAID. The Agency also earned an "A+" in information security for the fourth consecutive year. The Partnership for Public Service recognized a USAID employee, Richard Greene, as the Federal Employee of the Year for his work on the President's Malaria Initiative.

The Agency's commitment to performance-based management is also evident in its human capital accountability system. It is this system which holds managers accountable for program improvement and results, and evaluates their performance based on their effective use of financial, material, and human resources to accomplish the goals of the Agency, its Missions, Offices, and programs.

In FY 2008 USAID enhanced the transparency of its reporting and made key performance, budget, and accountability reports more accessible on the Agency's website.[4] We appreciate the opportunity to report to the American public on the Agency's FY 2008 performance and look forward to receiving feedback on how we can improve our reporting in the future.

Angelique M. Crumbly

Performance Improvement Officer and Director

Office of Management Policy, Budget, and Performance

January 15, 2009

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1. http://www.usaid.gov/policy/ads/200/

2. http://www.usaid.gov/policy/coordination/stratplan_fy07-12.pdf

3. See page 9 for a table of priority program areas in each strategic goal.

4. http://www.usaid.gov/policy/budget

OVERVIEW

STRATEGIC GOAL FRAMEWORK

Secretary of State Condoleezza Rice's vision of "transformational diplomacy" requires that foreign assistance and diplomacy function in an integrated fashion to advance the U.S. Government's development efforts, democratic ideals, and national security interests. To ensure their integration, USAID and the Department of State (Department) established a joint strategic framework in their 2007–2012 Strategic Plan (*http://www.usaid.gov/policy/coordination/stratplan_fy07-12.html*). This framework, which defines U.S. development assistance and foreign policy priorities, functions as an analytical tool to program U.S. Government resources efficiently and effectively within countries and at the regional and global levels. The joint strategic framework also integrates the vision described in President Bush's National Security Strategy (see table on page 9 for a list of the shared strategic goals and priority program areas of the agencies).

USAID'S APPROACH TO PERFORMANCE MANAGEMENT

USAID has a proven record of managing for results and a long history of assessing its programs annually. Performance management represents the Agency's commitment to improve development outcomes and to hold itself accountable to the American people. USAID follows a four-part performance management process: 1) planning and setting goals; 2) collecting data and analyzing results; 3) using data for decision-making; and 4) communicating results.

USAID VISION STATEMENT

To accelerate the advance of democracy, prosperity, and human well-being in developing countries.*

USAID MISSION STATEMENT

USAID accelerates human progress in developing countries by reducing poverty, advancing democracy, building market economics, promoting security, responding to crises, and improving quality of life. Working with governments, institutions, and civil society, we assist individuals to build their own futures by mobilizing the full range of America's public and private resources through our expert presence overseas.*

*These statements were formulated at the USAID Senior Leadership Retreat in March 2008 in support of the Mission Statement included in the joint State-USAID Strategic Plan for FY 2007–2012.
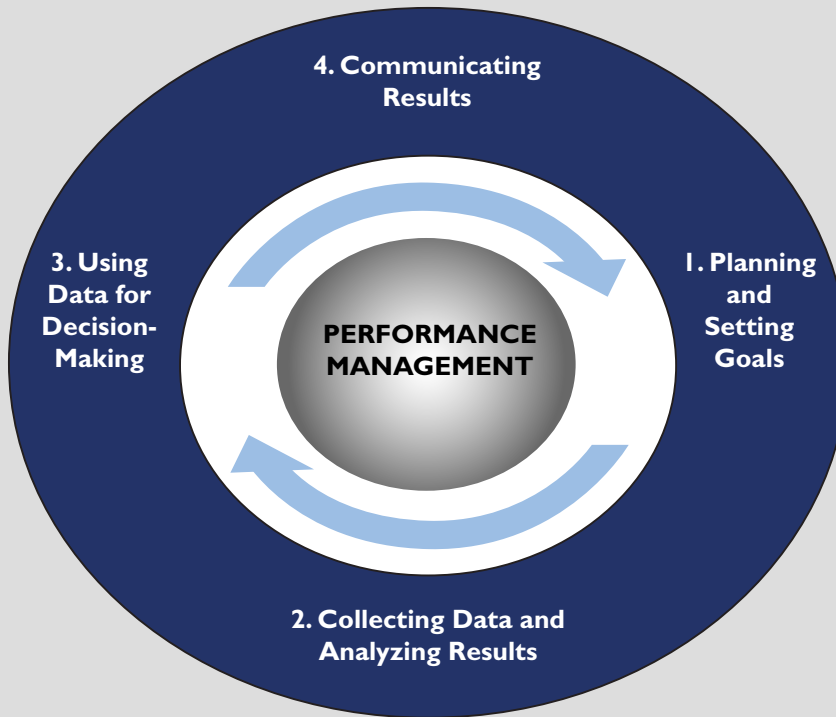

USAID Missions and Offices are responsible for establishing performance management plans to measure progress towards intended objectives, as well as reporting on key indicators in their annual performance reports. At USAID, the tools of assessing, learning, and sharing are connected through the concept of performance management. Performance management is crucial for making informed decisions on funding, program development, and implementation.

To implement performance management effectively, USAID Missions and Offices adhere to the following key principles and practices that foster a performance-oriented culture:

- Planning for performance management early in the life of the program.

- Making decisions on the basis of performance data.

- Seeking participation from customers, partners, stakeholders, and other USG entities during the performance management process.

- Strengthening host country or local organization capacity on monitoring and evaluation.

- Including gender considerations in the selection of performance indicators to ensure that both women and men have equitable access to development activities and their benefits.

- Streamlining the process so that program managers only collect and report on the information that is most directly useful for performance management. Where possible, performance information needs are aligned with those of the host country counterparts, other donors, and implementing partners to lessen the overall data collection burden and help promote aid effectiveness.

THE USAID PERFORMANCE MANAGEMENT PROCESS

The distinct, though complementary missions of the Department of State and USAID make it difficult to accurately capture the scope of both agencies' operations in a joint report. For this reason, USAID and the Department are issuing individual Citizens' Reports and Annual Performance Reports for FY 2008.

Please note the following caveats related to 2008 performance of the foreign assistance programs:

1. First, the foreign assistance reform process is only in its third year. This year marks the second performance reporting cycle for the integrated Department of State and USAID indicators. Many of the indicators use 2007 as the baseline year; hence, it will take at least one more year before sufficient prior-year data for some performance indicators can be collected and associated trends analyzed to inform decision-making.

2. Second, the reforms are still generating important process changes to better coordinate USAID and the Department's foreign assistance program planning and implementation. For example, beginning with the FY 2011 budget cycle, the joint Department/USAID initial resource request from each field Mission must link directly to performance information, which will in turn inform the remainder of the full budget and performance cycle. The breadth and complexity of these programs precludes linking resources to each indicator individually, but the performance indicators are grouped under clearly defined strategic priority areas, which are in turn linked to budget requests and higher-level outcomes.

- Clearly acknowledging any limitations in data quality so that achievements can be honestly assessed, and conveying clearly and accurately the problems that impede progress and steps that are being taken to address them.

- Proactively budgeting for performance management.

FOREIGN ASSISTANCE PERFORMANCE REPORTING

In recent years, the United States significantly increased foreign assistance funding to its partners around the world. Foreign assistance reforms, initiated by Secretary of State Condoleezza Rice, enable the U.S. Government to improve stewardship of public resources and to achieve the best results. The reforms, which include the alignment of Department of State and USAID strategic goals, provide direction by focusing U.S. foreign assistance on the ultimate goal of helping to build and sustain democratic and well-governed states that respond to the needs of their people and

conduct themselves responsibly in the international community.

USAID and the Department are committed to using performance management to promote greater transparency and accountability to their primary stakeholders, the American people. The two agencies have taken steps to improve budget coordination, performance planning, and reporting in order to achieve the most effective U.S. foreign policy and development outcomes. With the creation of the Joint Strategic Framework, USAID and the Department defined the goals of U.S. foreign policy and development assistance, and specifically, the strategic priorities within each of those goals for the coming years.

" The resources we commit must empower developing countries to strengthen security, to consolidate democracy, to increase trade and investment, and to improve the lives of their people. America's foreign assistance must promote responsible sovereignty, not permanent dependency. "
SECRETARY CONDOLEEZZA RICE, JANUARY 19, 2006

3. Lastly, the foreign assistance reform effort, including the coordination of USAID and the Department's budget and performance management processes, is complex and multifaceted, requiring collaboration, creativity, determination, and the ability and willingness to review and adjust these new processes as they are tested. Despite these challenges, the Administration believes the improved process and anticipated results are well worth the effort.
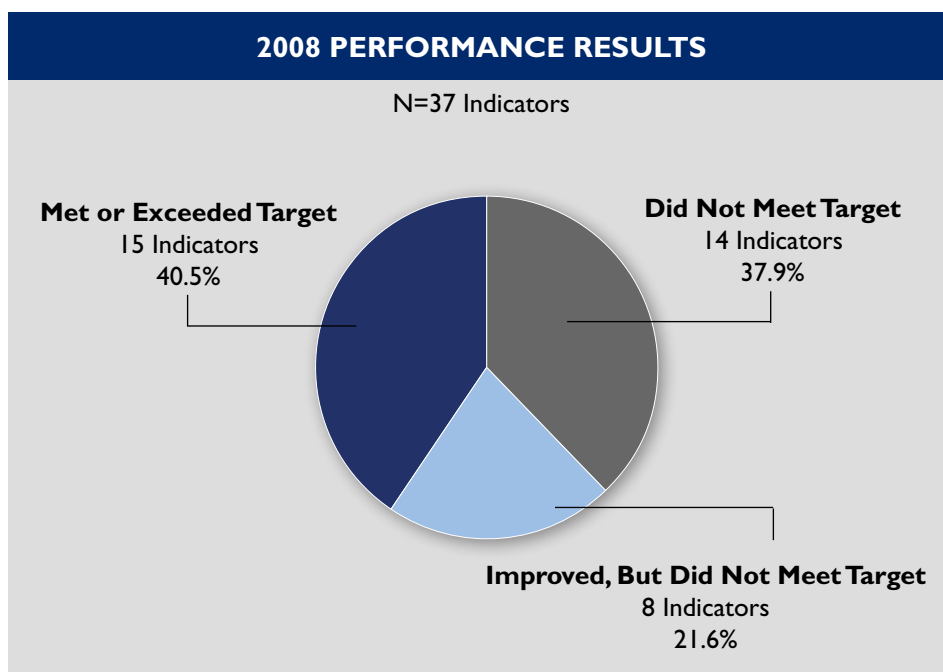
FISCAL YEAR 2008 PERFORMANCE

A representative set of 37 indicators illustrate USAID's FY 2008 performance. For a complete list of these indicators, see pages 61–63. These indicators come from a variety of third party and primary data sources and reflect major U.S. Government funding, initiatives, and foreign policy priorities. In FY 2008, USAID met or exceeded its targets for 40.5% of its performance indicators, improved over prior year, but did not meet 21.6% of its targets, and did not meet 37.9% of its targets. A full discussion of the benefits to the public and achievements in each strategic goal area is presented in the following chapters.

DATA QUALITY

Data are only useful if the information collected is of high quality. As indicated in USAID's updated Automated Directive System (ADS) (Chapter 203.3.5, (*http://www.usaid.gov/policy/ads/200/203.pdf, p.20-23*), all USAID Missions and Offices are required to assess the quality of any performance data reported to the American public and to verify data quality against the five standards of validity, integrity, precision, reliability, and timeliness. The purpose of a data quality assessment (DQA) is to ensure that program managers are aware of the strengths and weaknesses of the data and fully understand the extent to which data integrity can be trusted in making programmatic decisions.

USAID Missions and Offices routinely collect data from a variety of sources, some of which are more reliable than others. The rigor of a DQA depends on the source

2008 PERFORMANCE RESULTS

N=37 Indicators

Met or Exceeded Target
15 Indicators
40.5%

Did Not Meet Target
14 Indicators
37.9%

Improved, But Did Not Meet Target
8 Indicators
21.6%

and how much control USAID has over the data. USAID has three data source categories: (1) *primary data*, collected by USAID or collection funded by USAID; (2) *partner data*, compiled by USAID implementing partners but collected from other sources; and (3) data from *other secondary sources*, such as other government agencies or development organizations. Generally, the data that USAID has the most control over go through the most rigorous tests to ensure their quality. While data from secondary sources do not go through assessments, the sources are carefully chosen based on the organization's experience, expertise, credibility, and use of similar assessments.

For all sources, the following process is followed:

- Verify that data are of reasonable quality, based on the five quality standards and application of the same standards to both quantitative and qualitative performance data.

- Review data collection, maintenance, and processing procedures to ensure that they are consistently applied and continue to be adequate, and if possible identify areas for improvement.

- Document data quality assessments in the performance management files and update them within three years, including information on whether the

five standards have been met for relevant indicators and any steps needed for improvement.

RE-ENERGIZING EVALUATION AT USAID

Evaluations are critically important in helping USAID manage for results. They systematically collect information about activities and outcomes in order to make programs more effective and inform current and future program and budget decisions. New Agency policy requires that each program be evaluated at least once during its life cycle. Such evaluations are triggered when

- A key management decision is required, and there is inadequate information;

- Performance information suggests an unexpected result, positive or negative, that needs to be explained (such as differential results by gender);

- Customer, partner, or other informed feedback suggests that there are implementation problems, unmet needs, or unintended consequences or impacts;

- Issues of sustainability, cost-effectiveness, or relevance arise;

USAID FY 2008 ANALYTIC REVIEWS BY STRATEGIC GOAL	
Strategic Goal	**Number of Analytic Reviews**
Achieving Peace and Security	15
Governing Justly and Democratically	97
Investing in People	219
Promoting Economic Growth and Prosperity	117
Promoting Humanitarian Assistance	3

- The validity of development hypotheses or critical assumptions is questioned, for example due to unanticipated changes in the host country environment; or

- Periodic portfolio reviews have identified questions that need to be answered or that need consensus.

In FY 2008, USAID initiated several efforts to strengthen its evaluation capacity. These efforts included:

- Organizing an Agency evaluation interest group to enhance collaboration and increase information-sharing across internal organizational lines;

- Creating with the Department's Office of the Director of Foreign Assistance (State/F) and Bureau for Resource Management (State/RM) a Foreign Affairs Evaluation Working Group to enhance collaboration and information-sharing throughout the foreign affairs community;

- Collaborating with State/F to create and implement a new distance learning course and instructor-led classes in evaluation;

- Competing a new set of indefinite quantity contracts, to be awarded in spring 2009, to provide technical support for evaluation at all organizational levels; and

- Drafting jointly with State/F and State/RM new Standards and Guidelines for Evaluating Foreign Assistance and a new Evaluation Glossary.

USAID is also moving rapidly to re-energize the evaluation function by establishing a Central Evaluation Unit in the Bureau for Management. The unit will be launched in early 2009; one of its first tasks will be to draw up an initial agenda of central evaluation studies.

In FY 2008 USAID conducted 451 analytic reviews of its work, 59% of which were evaluations and assessments and 41% studies that examined specific topics or issues. Of these reviews 47% were used to identify best practices and lessons learned to inform design of future programs, and 45% were used to make mid-course programmatic decisions.

PRESIDENT'S MANAGEMENT AGENDA

The President's Management Agenda (PMA) is President Bush's results-driven strategy for improving the management and performance of the federal government. Every year the Agency works with the Office of Management and Budget (OMB) to set a vision for where the Agency would be "Proud to Be" the following year on PMA goals. OMB monitors the Agency's milestones and issues a quarterly scorecard, rating the seven initiatives using a color-coded scale of red for unsatisfactory, yellow for mixed results, and green for success.

Since 2001 USAID has shown steady improvement in its PMA ratings, demonstrating its commitment to improving the performance and management of its programs. Seven years ago all USAID PMA initiatives were rated red for status and progress. In FY 2008, Strategic Management of Human Capital, Improved Financial Performance, Performance Improvement, and Faith-based and Community initiatives scored green, and Commercial Services Management, Expanded Electronic Government, and Federal Real Property Asset Management initiatives scored yellow. This meant that for progress against the PMA initiatives USAID earned green on all initiatives—the top rating an agency can receive from OMB on the PMA scorecards. For more information on the PMA, see *http://www.whitehouse.gov/results/agenda/index.html*.

PROGRAM ASSESSMENT RATING TOOL

USAID uses the Program Assessment Rating Tool (PART) to direct program improvements and hold managers accountable for them. PART findings are used to inform funding requests and management actions. Elements of PART assessments are incorporated as tasks in contracts, built into performance evaluations of staff, and addressed in regular program performance

USAID FY 2008 PRESIDENT'S MANAGEMENT AGENDA SCORECARD		
PMA Initiative	**Status**	**Progress**
Strategic Management of Human Capital	🟩	🟩
Commercial Services Management	🟨	🟩
Improved Financial Performance	🟩	🟩
Expanded Electronic Government	🟨	🟩
Faith-Based and Community Initiative	🟩	🟩
Federal Real Property Asset Management	🟨	🟩
Performance Improvement Initiative	🟩	🟩

Key: 🟥 Unsatisfactory   🟨 Mixed Results   🟩 Success

PROGRAM ASSESSMENT RATING TOOL FY 2008 SCORES AND RATINGS FOR USAID AND JOINT USAID/DEPARTMENT OF STATE PROGRAMS		
Program Name	**Score**	**Rating**
USAID PROGRAMS		
Office of Transition Initiatives	80%	Moderately Effective
Child Survival and Health – Population	78%	Moderately Effective
Development Credit Authority	77%	Moderately Effective
Development Assistance to Latin America and the Caribbean	75%	Moderately Effective
Child Survival and Health for Latin America and the Caribbean	75%	Moderately Effective
Administration and Capital Management	70%	Moderately Effective
Development Assistance to Sub-Saharan Africa	66%	Adequate
Food Aid for Emergencies and Development (Public Law 480 Title II)	61%	Adequate
Climate Change Program	58%	Adequate
Africa Child Survival and Health	58%	Adequate
International Disaster and Famine Account	57%	Adequate
JOINT USAID/DEPARTMENT OF STATE PROGRAMS		
Assistance to Transforming Countries	80%	Moderately Effective
Assistance to Developing Countries	75%	Moderately Effective
Assistance to Rebuilding Countries	73%	Moderately Effective

reviews. Where appropriate, PART indicators are integrated into Mission Operational Plans and Performance Management Plans, and the resulting data are used to support implementation and help inform future activities. Overseas Missions also report PART data annually for aggregation into Agency reporting generally. Deficiencies, where found, are reviewed case by case and improvement plans drafted as needed. For additional information on PART, visit *http://www.expectmore.gov*.

In FY 2008, USAID met or exceeded its targets for 50% of the PART measures and improved over the previous year on another 44%. Ninety-one percent of USAID's PART-assessed programs have at least one outcome-oriented measure; 100%

have efficiency measures; and 100% of the improvement plans for FY 2008 have been completed on time. Independent evaluations affirm that 81% of programs are effective.

To date, USAID and OMB have used the PART to review 14 programs administered by USAID, three of which are jointly administered with the Department of State. Of these programs, 64% have been assessed as moderately effective and 36% as adequate. For additional information on USAID's PART assessments, see *http://www.whitehouse.gov/omb/expectmore/agency/184.html* (Please note that OPIC and the Inter-America Foundation are not USAID administered programs).

RELATIONSHIP OF BUDGET TO PERFORMANCE

USAID measures performance based on the assumption that results achieved in any given fiscal year draw on funding appropriated by Congress in previous fiscal years, largely because of delays in the appropriations cycle and the timing of funding transfers. This report therefore presents the Agency's budget for two fiscal years, 2007 and 2008, for a fuller understanding of the budget contributed to certain FY 2008 results.

USAID AND DEPARTMENT OF STATE SHARED STRATEGIC GOALS AND PRIORITY PROGRAM AREAS

Strategic Goal	Priority Program Areas
ACHIEVING PEACE AND SECURITY	• Counterterrorism • Stabilization Operations and Security Sector Reform • Counter-narcotics • Transnational Crime • Conflict Mitigation and Reconciliation
GOVERNING JUSTLY AND DEMOCRATICALLY	• Rule of Law and Human Rights • Good Governance • Political Competition and Consensus Building • Civil Society
INVESTING IN PEOPLE	• Health • Education • Social Services and Protection for Especially Vulnerable Populations
PROMOTING ECONOMIC GROWTH AND PROSPERITY	• Macroeconomic Foundation for Growth • Trade and Investment • Financial Sector • Infrastructure • Agriculture • Private Sector Competitiveness • Economic Opportunity • Environment
PROVIDING HUMANITARIAN ASSISTANCE	• Protection, Assistance, and Solutions • Disaster Readiness

STRATEGIC GOAL ON ACHIEVING PEACE AND SECURITY

PUBLIC BENEFIT

The United States promotes peace, liberty, and prosperity for all people by helping nations effectively establish the conditions and capacity for achieving peace, security and stability. To address peace and security concerns around the world, USAID, together with the Department of State, directly confronts threats to national and international security by working with other U.S. Government agencies and international partners. The five priority program areas within this goal are Counterterrorism, Stabilization Operations and Security Sector Reform, Counternarcotics, Transnational Crime, and Conflict Mitigation and Reconciliation.

STRATEGIC GOAL PERFORMANCE

In FY 2008, USAID-managed resources for programs supporting the Peace and Security strategic goal totaled approximately $930 million, 6.7% of the Agency budget for the year. Two representative indicators illustrate USAID program performance for this goal, of which one exceeded the target, and one did not meet the target. In FY 2008, USAID conducted 15 evaluations, assessments, and special studies in this strategic goal. Of these, 47% were used to make programmatic decisions and 47% to identify best practices and analyze lessons learned.

Budget and performance information for this strategic goal is highlighted below, with key performance measures detailed in tables linked to the priority program area. These measures illustrate USAID's progress toward and effectiveness in achieving worldwide peace and security.

USAID-MANAGED RESOURCES FOR ACHIEVING PEACE AND SECURITY By Fiscal Year, Program Area, and Representative Performance Measure		
	FY 2007 Actual	FY 2008 653(a) Final Base Plus Enacted Supplemental
TOTAL ($ thousands)	12,712,484[1,2]	13,965,426[1]
PEACE AND SECURITY	1,712,819	930,214
Counterterrorism	21,290	16,733
Number of Public Information Campaigns Completed by U.S. Government Programs		
Stabilization Operations and Security Sector Reform	1,082,144	300,105
See narrative for discussion of representative USAID activities.		
Counternarcotics	235,842	336,959
See narrative for discussion of representative USAID activities.		
Transnational Crime	26,906	29,376
See narrative for discussion of representative USAID activities.		
Conflict Mitigation and Reconciliation	346,637	247,041
Number of People Trained in Conflict Mitigation/ Resolution Skills with U.S. Government Assistance		

1. Includes USAID Foreign Service Retirement and Disability Fund and 60% of the Global HIV/AIDS Initiative account; does not include Public Law 480 funds.

2. Does not include the Andean Counter-Drug Program funds or $110 million of Economic Support Fund transfer from the Department of Defense.

PROGRAM AREA: COUNTER-TERRORISM

Terrorism is the greatest challenge to our national security. Combating it will continue to be the focus of development, diplomatic, and defense efforts as long as the proponents of violent extremist ideologies find safe havens and support in unstable and failing states. The U.S. Government aims to expand foreign partnerships and to build global capabilities to prevent terrorists from acquiring or using resources for terrorism.

Public perceptions of the United States and its values directly affect the U.S. Government's ability to achieve foreign policy and assistance objectives. To complement other U.S. Government activities that build local capacity to combat terrorism, USAID uses, among other strategies, public information campaigns to prevent the recruitment of individuals into terrorist organizations. These campaigns include radio, public service announcements, print media, and Internet postings that provide information to delegitimize terrorist activities. By promoting messages that provide an alternative to those spread by terrorist organizations, USAID contributes to regional counterterrorism foreign policy priorities.

More than half the population of the Middle East and North Africa is under the age

USAID-MANAGED RESOURCES	FY 2007 Actual	FY 2008 653(a) Final Base Plus Enacted Supplemental
PEACE AND SECURITY ($ thousands)	1,712,819	930,214
Counterterrorism	**21,290**	**16,733**

of 24. Moreover, more than one-quarter of these young people are unemployed, tend to be cynical about the future, and therefore susceptible to extremist messages. To reach the region's 100 million young people, USAID's Middle East Youth Media Initiative (MEYMI) is collaborating with an Egyptian television production company and the largest satellite cable broadcaster in the region to create an educational drama program designed to build religious tolerance, promote the empowerment of young women, and encourage civic activism.

The indicator below tracks the number of public information campaigns conducted in the Middle East, Sudan, and other African countries, including the regional Trans-Sahara Counterterrorism Partnership in the Sahel and Maghreb regions and the East Africa Regional Security Initiative programs. In FY 2008, U.S. Government programs conducted just one public information campaign, falling short of the

target of 29. The target was not met due to MEYMI's decision to focus on creating a single television program for older youth instead of three separate programs for different age groups. In 2007, a USAID-supported poll of 3,500 youth aged 15 to 24 in seven countries found that television is a key source of information for 67% and that access to the Internet is growing. This finding informed the USAID decision to concentrate resources on producing a major television drama for older youth and young adults, an audience that is part of the U.S. Government's strategic focus in the region. In FY 2008 funds were used to put together a team from across the region to write scripts and hire actors. Consultants from South Africa and the United States provided technical assistance. The television series will go into production in 2009 and its messages will be reinforced by a strong Internet presence and other innovative media strategies.

STRATEGIC GOAL: PEACE AND SECURITY						
Program Area: Counterterrorism						
Performance Indicator: Number of Public Information Campaigns Completed by U.S. Government Programs						
FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Target	FY 2008 Results	FY2008 Rating	FY 2009 Preliminary Target[2]
N/A[1]		14	29	1	Did Not Meet Target	40
Data Verification and Validation						
Data Source: FY 2008 Performance Reports are from Somalia, Middle East Regional, and Africa Regional as collected in the Foreign Assistance and Tracking Coordination System (FACTS). Other countries have set 2008 targets for this indicator.						
Data Quality: Performance data, verified using data quality assessments (DQAs), must meet standards of validity, integrity, precision, reliability, and timeliness. Each operating unit must document the methodology used in conducting DQAs. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf, p. 20–23).						
Notes: 1. FY 2007 was the first reporting cycle under the new Foreign Assistance Framework. A full cycle of performance data for indicators under the framework, including past year results, is therefore available in 2008. 2. FY 2009 targets are set at a preliminary level and will be updated when the FY 2009 budget is appropriated.						

USAID is also making a long-term investment in the positive potential of the region's youth by providing scholarships and leadership training though the Peace Scholars program. The program funds scholarships for one year of undergraduate study in the United States for up to 30 young people from the Middle East and North Africa. The Peace Scholars program gives priority to students from less-privileged backgrounds and rural areas and is attentive to the gender balance of the participants. Upon returning to the region, Peace Scholars will remain connected though an alumni program designed to create a network of future leaders in the region. The first group of 22 students, representing Egypt, Jordan, Lebanon, Morocco, Oman, West Bank/Gaza, and Yemen, was selected in FY 2008. The program fell short of supporting 30 youth because the short lead time for start-up and recruitment did not allow for agreements to be reached with sending governments in Algeria, Iraq, and Tunisia.

PROGRAM AREA: STABILIZATION OPERATIONS AND SECURITY SECTOR REFORM

Activities in this program area support U.S. Government and civilian partners' participation in continuing or potential peace-keeping, peace support, and humanitarian operations. USAID activities in this program area supported non-armed interventions to promote the security and fundamental rights of civilians caught in conflict and facilitated the economic and social reintegration of ex-combatants through community reconciliation and reparation.

For example, in Iraq, Provincial Reconstruction Teams (PRTs) serve as the primary vehicle for delivery of U.S. and international foreign assistance. These are joint civilian-military operations that undertake high

WOMEN'S GROUP CONNECTS ELECTED OFFICIALS AND INTERNALLY DISPLACED PERSONS

Elected officials in Burnt Forest, near Eldoret, Kenya, have been criticized for not visiting the Rukuini internally displaced persons (IDPs) camp in the town. Animosities between ethnic groups prevent government officials from participating in reconciliation efforts. Before the January 2008 election ethnic communities coexisted in relative peace but the underlying mistrust was made apparent during post-election violence. USAID worked with the Rural Women's Peace Link (RWPL) to create innovative opportunities for reconciliation, using women and youth as entry points. Despite initial resistance, during follow-up visits RWPL members were welcomed with open arms. Following a dialogue between town council members and camp residents, the council's chairman said, "The visit opened my eyes to the plight of IDPs, my own constituents. Now that IDPs have embraced peace, I have realized there is hope for peaceful coexistence, and I am determined to make a difference." In the aftermath, USAID expanded its conflict mitigation and reconciliation program to 13 new partners for a total of 15. They will use lessons learned from the crisis to help develop a draft National Policy on Conflict Management and Peace Building.

priority security activities that contribute to local stability so that more traditional forms of assistance, which build local capacity and respond to long-term development needs, can be implemented. As of August 2008, the United States was leading 28 of the 31 PRTs in Iraq. USAID field staff were involved in assessing, planning, implementing, and monitoring U.S. reconstruction and development efforts. In addition to addressing the destabilizing impact of insurgent activities in Iraq, USAID, through the Community Stabilization Program (CSP), worked at the community level to reduce incentives for young men to participate in sectarian violence and insurgent activities. USAID collaborates with PRTs, brigade commanders, and community leaders to determine which neighborhoods and districts can benefit from participation. The CSP selects short-term projects that generate significant

employment and provide essential services and public works. In FY 2008 the program contributed to stabilization efforts by providing over 4.6 million days of employment to Iraqi nationals. The program also generates long-term employment through business development, including in-kind grants to Iraqi small businesses and business skills training. In partnership with the Iraqi Ministry of Youth and Sports, the CSP involves Iraqi youth in soccer leagues, arts, and life skills programs that bring together young people from different ethnic and religious backgrounds in 18 cities. To date, the CSP has engaged some 162,500 young men and women in youth-oriented activities.

Other activities in this area are carried out with USAID's international development partners. For example, in the Democratic Republic of the Congo (DRC), through the United Nations Development Program, USAID provided funds to a multi-donor program to reintegrate into community life former combatants, including a significant number of children, many of whom were coerced into joining armed militias. Most have very limited experience living in non-conflict settings and are often rejected by their families and communities

USAID-MANAGED RESOURCES	FY 2007 Actual	FY 2008 653(a) Final Base Plus Enacted Supplemental
PEACE AND SECURITY ($ thousands)	1,712,819	930,214
Stabilization Operations and Security Sector Reform	**1,082,144**	**300,105**

when they return home. Creating avenues for ex-combatants to learn how to live in stable environments is crucial to long-term efforts to bring about stability in the DRC. USAID-supported reintegration efforts address the needs of both former soldiers and the communities where they will live. In FY 2008 training was provided to 1,685 ex-combatants and 585 community members in two target return communities. In addition, 795 Congolese ex-combatants benefited from a public works program that provided employment rebuilding infrastructure in the Ituri region. The nine projects funded by USAID resulted in construction of four bridges and rehabilitation of at least 158 kilometers of road.

PROGRAM AREA: COUNTER-NARCOTICS

The U.S. Government's activities in this program area are designed to combat international narcotics production and trafficking, reduce the cultivation and production of drugs, prevent resurgence of drug production, and limit the collateral effects of the drug trade through international drug control and demand reduction projects. A key element of USAID support for counternarcotics efforts is its Alternative Development and Livelihoods program that promotes sustainable and equitable economic growth opportunities in regions vulnerable to drug production and conflict, with the intent of permanently ending involvement in illicit drug production. Counternarcotics programs funded in the Western Hemisphere focus resources on the three main source countries: Bolivia, Colombia, and Peru. USAID assistance generates sustainable, licit employment and income opportunities; improves the capacity of municipal governments to plan and provide basic services and infrastructure; fosters citizen participation in local decision-making; strengthens social infrastructure; and promotes transparency and accountability at the local level. USAID assistance helps raise farmers' incomes and long-term development prospects by enhancing production, productivity, and the quality of alternative products.

In Colombia, for example, USAID supports comprehensive training, technical assistance, and co-financing of municipal infrastructure projects. The program also provides assistance to build small businesses, including agribusinesses, to enhance their competitiveness in local, regional, and global markets. In FY 2008, the Alternative Development and Livelihoods program assisted 217,214 families, created or supported 128,674 jobs, and supported the production of 155,219 hectares of alternative crops in Colombia. The program exceeded FY 2008 targets and made up for lower than expected performance in the previous year. In Bolivia in FY 2008, USAID directly supported 12,800 hectares of new or improved crops, such as bananas, cocoa, hearts of palm, and coffee, and new land under forest management plans; 5,459 new jobs were generated; and USAID-promoted exports from Bolivia reached almost $35 million. In Peru some 30,000 families received technical assistance and other support for cultivating long-term crops with strong international markets including coffee, cocoa, palm oil, and hearts of palm. In 2008, program participants saw their incomes increase by 19%.

In Afghanistan USAID projects promoted rural economic growth through the development of marketable high-value commodities such as fresh fruit and vegetables, dried fruit, nuts, and livestock that provide rural households with alternative sources of income. This year 18 of Afghanistan's 34 provinces were poppy-free, up from 13 in 2007 and the number of households involved in opium production dropped by 28%. In addition, 74,500 hectares of alternative licit crops were put under cultivation. In 2008 USAID-supported projects in Afghanistan provided 109,000 individuals with agricultural, farm management, and business training, benefiting over 123,000 families, including over 3,000 women directly, and 15 women's organizations. Some 81,800 full-time equivalent jobs were created, contributing to almost $23 million in increased sales of licit farm products.

PROGRAM AREA: TRANSNATIONAL CRIME

Activities in this area contribute to decreasing and minimizing cross-border crimes that threaten the stability of countries, particularly where criminal activities span borders. One U.S. Government priority is combating trafficking in persons and migrant smuggling. The trafficking of persons, fueled by demand for cheap labor and by commercial sexual exploitation, is exacerbated by porous national borders. The U.S. Government encourages partnership and increased vigilance in the fight against forced labor, sexual exploitation, and modern-day slavery. USAID plays a lead role in coordinating and directing activities to combat trafficking in persons, contributing to the U.S. Government-wide anti-trafficking mission.

USAID supports activities to prevent trafficking in persons and migrant smuggling by increasing awareness of the dangers of human trafficking and providing services to trafficking survivors. For example, in Uzbekistan in FY 2008 USAID continued to raise public awareness among youth

USAID-MANAGED RESOURCES	FY 2007 Actual	FY 2008 653(a) Final Base Plus Enacted Supplemental
PEACE AND SECURITY ($ thousands)	1,712,819	930,214
Counternarcotics	**235,842**	**336,959**

USAID-MANAGED RESOURCES	FY 2007 Actual	FY 2008 653(a) Final Base Plus Enacted Supplemental
PEACE AND SECURITY ($ thousands)	1,712,819	930,214
Transnational Crime	**26,906**	**29,376**

Credit: Search for Common Ground

A Burundi woman being interviewed by a journalist from Studio Ijambo, a conflict resolution radio station supported by USAID.

and religious communities. Public information campaigns were carried out through newspaper, television and radio spots; and theater, plays, and public service announcements. Services provided included training 25,166 people about trafficking dangers, assisting 331 trafficking survivors, and fielding 16,696 hotline phone calls.

To build long-term capacity in Europe and Eurasia, USAID funds a regional program implemented by the International Centre for Migration Policy Development (ICMPD) that helps reduce trafficking in persons by fostering cross-border cooperation. The purpose of the ICMPD program is to establish comprehensive, effective and institutionalized transnational referral mechanisms (TRM) for victims of trafficking in Southeastern Europe. In FY 2008 the program operated in 10 countries in the region where most trafficked persons originate (Albania, Bosnia-Herzegovina, Bulgaria, Croatia, Kosovo, Macedonia, Moldova, Montenegro, Romania, and Serbia). In conjunction with TRM guidelines, cross-border standard operating procedures are being designed, piloted, and endorsed by

participating countries based on best practices, as well as on victims' needs.

PROGRAM AREA: CONFLICT MITIGATION AND RECONCILIATION

Mitigating, managing, and responding to violent conflict are priority areas for USAID assistance. Conflict mitigation and reconciliation activities seek to lessen the threat of violent conflict by promoting peaceful resolution of differences, reducing violence that has already broken out, and establishing a framework for peace and reconciliation during an ongoing conflict. Programs are designed to meet the unique needs of a country's transition from conflict to peace, establish a foundation for longer-term

development by promoting reconciliation, foster democracy, and provide support for nascent government operations.

For example, in Afghanistan U.S. Government-supported emergency and conflict mitigation management activities provide rapid responses in unstable situations and pave the way for Government of Afghanistan-led reconstruction and development activities. The flagship program of the USAID/Provincial Reconstruction Team in Afghanistan is the Local Governance and Community Development Program which is active in 30 of the 34 provinces. The four objectives of the program are to extend the reach of government to unstable areas; engage at-risk populations; build trust between citizens and their government; and encourage local populations to take an active role in their development. In FY 2008, 722 projects were implemented in 209 remote and insecure communities, including 102 priority districts that receive only very limited development assistance. Development programs are identified by the communities, vetted by the Government of Afghanistan, and where possible, implemented as a joint government and community effort. This year these efforts resulted in 17,446 Afghan laborers being hired through cash-for-work projects, and 31,320 Afghans trained through vocational programs in literacy, hygiene, and professional skills development. Fifty provincial governors are now reporting publicly on service delivery improvements throughout the year by holding interviews with the local press and issuing press releases.

USAID programs also support peace and reconciliation processes by promoting the emergence of an empowered and active civil society that prepares communities to monitor the progress of peace accords and advocate for change. USAID programs also improve access to independent information on transition issues, and build the capacity

USAID-MANAGED RESOURCES	FY 2007 Actual	FY 2008 653(a) Final Base Plus Enacted Supplemental
PEACE AND SECURITY ($ thousands)	1,712,819	930,214
Conflict Mitigation and Reconciliation	**346,637**	**247,041**

STRATEGIC GOAL: PEACE AND SECURITY

Program Area: Conflict Mitigation and Reconciliation

Performance Indicator: Number of People Trained in Conflict Mitigation/Resolution Skills with U.S. Government Assistance

FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Target	FY 2008 Results	FY2008 Rating	FY 2009 Preliminary Target[2]
N/A[1]		17,965	5,449	12,578	Met or Exceeded Target	6,000

Data Verification and Validation

Data Source: FY 2008 Performance Reports from Ethiopia, Haiti, Kenya, Kosovo, Nepal, Philippines, Uganda, and the Bureau of Democracy, Conflict, and Humanitarian Assistance. Performance data for this indicator are volatile and fluctuate widely from year to year, depending on country need and capacity. Additional countries set targets for this indicator in FY 2008.

Data Quality: Performance data, verified using data quality assessments (DQAs), must meet standards of validity, integrity, precision, reliability, and timeliness. Each operating unit must document the methodology used for conducting the DQAs. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf, p. 20–23).

Notes:
1. FY 2007 was the first reporting cycle under the new Foreign Assistance Framework. A full cycle of performance data for indicators under the framework, including past year results, is therefore available in 2008.
2. FY 2009 targets are set at a preliminary level and will be updated when the FY 2009 budget is appropriated.

of government authorities. For example, USAID works with partners along Sudan's contested North-South border, providing skills and support to address the root causes of the ongoing conflict. Illustrative results in FY 2008 include the strengthening of 38 formal and informal peace-building and community-strengthening networks in Darfur, including neighborhood youth associations; the engagement of 102,407 people in community-based reconciliation projects throughout northern Sudan; and the construction of six early warning posts in volatile areas of the Greater Upper Nile.

The indicator above summarizes U.S. Government-supported activities that improve the capacity of citizens both to better mitigate conflicts and to be more effective in implementing and managing peace processes. Through training and technical assistance, this program strengthened local capacity to resolve disputes at the lowest administrative level. Training focused on factors that underpin conflicts such as land disagreements, including disputes involving claims by women and indigenous groups. Efforts were also made to involve young people in tolerance, peace, and reconciliation programs. This indicator measures activities that increase a population's abilities to resolve and mitigate their own conflicts in seven countries. In FY 2008, USAID exceeded the year's target of 5,449 by training 12,578 people—Uganda, Haiti, and Kosovo significantly exceeded their FY 2008 targets. Furthermore, five countries that were not part of the original target group submitted FY 2008 results for this indicator, increasing the number of people benefiting from these USAID programs by another 4,307.

STRATEGIC GOAL ON GOVERNING JUSTLY AND DEMOCRATICALLY

PUBLIC BENEFIT

The U.S. Government supports just and democratic governance for three distinct but related reasons: as a matter of principle, as a contribution to U.S. national security, and as an integral part of its broader development agenda. Governments that respect human rights, respond to the needs of their people, and govern by the rule of law are more likely to conduct themselves responsibly toward other nations. Effective and accountable democratic states are also best able to promote broad-based and sustainable prosperity. The overarching purpose of this goal is to promote freedom and strengthen effective democracies in recipient states and move them along a continuum toward democratic consolidation. The four priority program areas within this strategic goal are Rule of Law and Human Rights, Good Governance, Political Competition and Consensus-building, and Civil Society.
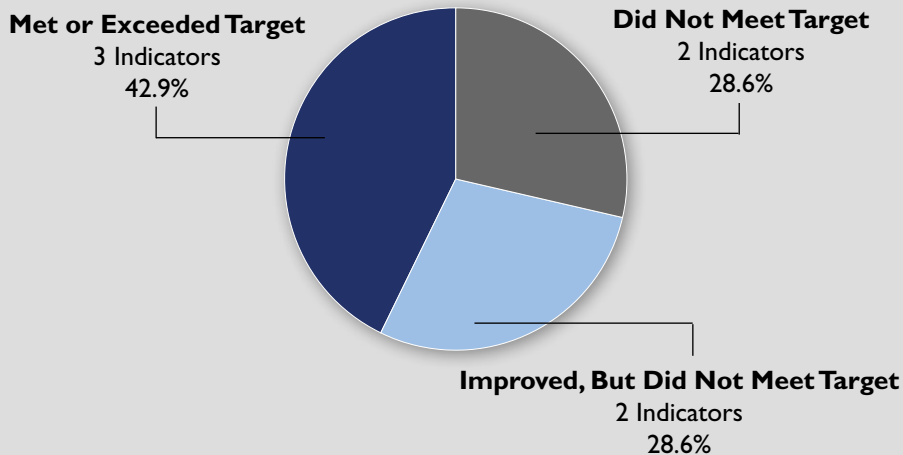
STRATEGIC GOAL PERFORMANCE

In FY 2008, USAID-managed resources for the Governing Justly and Democratically strategic goal totaled approximately $1.7 billion, 12.2% of the Agency budget for the year. Seven representative indicators illustrate USAID program performance for this goal, of which three met or exceeded the performance targets; two improved performance over the prior year but did not meet the targets; and two did not meet the targets. Some program results, such as those for the indicator on U.S. Government-assisted courts with improved case management, are achieved jointly by USAID and the Department of State. In addition to the seven reported indicators for this strategic goal, USAID monitors trends on other broad indicators of the advance or retreat of democratic governance in countries and regions of U.S. national interest. USAID conducted 97 evaluations, assessments, and special studies in this program area in FY 2008, which represents 21.5% of the Agency's total. Of these, 34% were used to make programmatic decisions and 45% were used to identify best practices and analyze lessons learned.

Budget and performance information for this strategic goal is presented below, with key performance measures described in tables linked to the relevant program area. These measures illustrate USAID's progress toward assisting partner nations in governing justly and democratically.

2008 PERFORMANCE RESULTS

N=7 Indicators

Met or Exceeded Target
3 Indicators
42.9%

Did Not Meet Target
2 Indicators
28.6%

Improved, But Did Not Meet Target
2 Indicators
28.6%

PROGRAM AREA: RULE OF LAW AND HUMAN RIGHTS

Rule of law is a principle under which all persons, institutions, and entities, public and private, including the state itself, are accountable to laws that are publicly promulgated, equally enforced, independently adjudicated and consistent with international human rights law. Activities in this program area advance and protect human and individual rights as embodied in the Universal Declaration of Human Rights and international conventions to which states are signatories. They promote societies in which the state and its citizenry are held accountable to laws that are consistent with international norms and standards.

A well-functioning justice system is a key component of a state that abides by

USAID-MANAGED RESOURCES FOR GOVERNING JUSTLY AND DEMOCRATICALLY
By Fiscal Year, Program Area, and Representative Performance Measure

	FY 2007 Actual	FY 2008 653(a) Final Base Plus Enacted Supplemental
TOTAL ($ thousands)	12,712,484[1,2]	13,965,426[1]
GOVERNING JUSTLY AND DEMOCRATICALLY	1,484,899	1,709,595
Rule of Law and Human Rights	193,624	282,813
Number of Justice Sector Personnel Who Received U.S. Government Training		
Number of U.S. Government-Assisted Courts with Improved Case Management		
Good Governance	721,750	745,839
Political Competition and Consensus-Building	141,456	282,706
Number of Domestic Election Observers Trained with U.S. Government Assistance		
Number of U.S. Government-Assisted Political Parties Implementing Programs to Increase the Number of Candidates and Members Who Are Women		
Civil Society	428,069	398,237
Number of U.S. Government-Assisted Civil Society Organizations that Engage in Advocacy and Watchdog Functions		
Europe Non-Governmental Organization Sustainability Index		
Eurasia Non-Governmental Organization Sustainability Index		

1. Includes USAID Foreign Service Retirement and Disability Fund and 60% of the Global HIV/AIDS Initiative account. Does not include Public Law 480 funds.

2 Does not include the Andean Counter-Drug Program funds or $110 million of Economic Support Fund transfer from the Department of Defense.

measure short-term progress against longer goals of strengthening the rule of law in countries receiving U.S. Government assistance. USAID programs exceeded the FY 2008 target of training 50,309 personnel, largely due to efforts in Mexico to increase awareness of the TIP law that was passed in October 2007. Against a projection of training 16,000 Mexican legal personnel, more than 24,000 were trained. The 2008 target appears to be a significant departure from the 2007 results of 110,041 individuals trained. What is not evident is that the 2007 results were nearly double the targeted 56,169 individuals to be trained, due to much greater participation in training programs than expected in Bosnia and Herzegovina, Mexico, and Cambodia. The 2008 target was set slightly lower than 2007 to accommodate expected changes in program focus in certain countries.

Nine additional USAID operating units that were not part of the original group of target countries submitted FY 2008 results for this indicator. These results add 3,605 justice sector personnel to the total that received U.S. Government training, raising the total result to 59,606 personnel trained.

In addition to training justice sector personnel, the U.S. Government also supports programs that improve case management, aiming to increase the effectiveness, compliance, and accountability of justice systems. The second indicator (p. 18, bottom) highlights the joint performance of USAID and the Department of State programs designed to improve case management in 19 U.S. Government-assisted countries. Improved case management leads to a more effective justice system by decreasing case backlog and disposition time, reducing administrative burdens on judges, increasing the transparency of judicial procedures, and improving compliance with procedural law. For these reasons, tracking the number of courts receiving U.S. Government

the rule of law, and well-trained justice personnel are a prerequisite for a legal system that is transparent and efficient and guarantees respect for basic human rights. The first representative indicator (p.18, top) illustrates USAID's progress toward improving the rule of law by training justice sector personnel—judges, magistrates, prosecutors, advocates, inspectors, and court staff—in a target group of 32 countries. Training conducted in FY 2008 covered a range of topics from commercial law in Indonesia to a new trafficking in persons (TIP) law in Mexico. Training alone does not necessarily lead to implementation or ultimately results, but it is a way to

USAID-MANAGED RESOURCES	FY 2007 Actual	FY 2008 653(a) Final Base Plus Enacted Supplemental
GOVERNING JUSTLY AND DEMOCRATICALLY ($ thousands)	1,484,899	1,709,595
Rule of Law and Human Rights	**193,624**	**282,813**

STRATEGIC GOAL: GOVERNING JUSTLY AND DEMOCRATICALLY

Program Area: Rule of Law and Human Rights

Performance Indicator: Number of Justice Sector Personnel Who Received U.S. Government Training

FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Target	FY 2008 Results	FY2008 Rating	FY 2009 Preliminary Target[2]
N/A[1]		110,041	50,309	56,001	Met or Exceeded Target	60,000

Data Verification and Validation

Data Source: FY 2008 Performance Reports from Angola, Armenia, Azerbaijan, Bolivia, Bosnia and Herzegovina, Cambodia, China, Colombia, Democratic Republic of the Congo, Dominican Republic, Egypt, El Salvador, Guatemala, Haiti, Honduras, Indonesia, Kazakhstan, Kosovo, Liberia, Macedonia, Mexico, Mongolia, Nepal, Nicaragua, Pakistan, Panama, Philippines, Serbia, Timor-Leste, Ukraine, Vietnam, and Africa Regional, as collected in the Foreign Assistance Coordination and Tracking System (FACTS).

Data Quality: Performance data, verified using Data Quality Assessments (DQAs), must meet standards of validity, integrity, precision, reliability, and timeliness. Each operating unit must document the methodology used to conduct the DQAs. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf, p. 20–23).

Notes:
1. FY 2007 was the first reporting cycle under the new Foreign Assistance Framework. A full cycle of performance data for indicators under the framework, including past year results, is therefore available in 2008.
2. FY 2009 targets are set at a preliminary level and will be updated when the FY 2009 budget is appropriated.

STRATEGIC GOAL: GOVERNING JUSTLY AND DEMOCRATICALLY

Program Area: Rule of Law and Human Rights

Performance Indicator: Number of U.S. Government-Assisted Courts with Improved Case Management

FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Target	FY 2008 Results	FY2008 Rating	FY 2009 Preliminary Target[2]
N/A[1]		350	477	351	Improved, but Did Not Meet Target	500

Data Verification and Validation

Data Source: FY 2008 Performance Reports from Angola, Bolivia, Bosnia and Herzegovina, Cambodia, Colombia, Dominican Republic, Egypt, Guatemala, Haiti, Indonesia, Jordan, Kosovo, Macedonia, Mexico, Mongolia, Nepal, Serbia, Ukraine, and Africa Regional as collected in the Foreign Assistance Coordination and Tracking System (FACTS). Additional countries have also set FY 2008 targets against this indicator. Program results for this indicator are achieved jointly by USAID and the Department of State.

Data Quality: Performance data, verified using data quality assessments (DQAs), must meet standards of validity, integrity, precision, reliability, and timeliness. Each operating unit must document the methodology used for conducting the DQAs. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf, p. 20–23)

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1. FY 2007 was the first reporting cycle under the new Foreign Assistance Framework. A full cycle of performance data for indicators under the framework, including past year results, is therefore available in 2008.
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assistance is a reliable indicator of improvements in the overarching objective of improving the quality of the rule of law in host countries.

Overall program targets were not met because multiple operating units are no longer reporting against this indicator due to changes in programming. In particular, because the Department of State Africa Regional Bureau faced significant reductions in funding and elected to focus its resources on other strategic priorities, it did not report results against a target of 100 assisted courts with improved case management. However, those operating units that did report against this measure had significant success in FY 2008. Colombia almost tripled its FY 2007 number of 30, with 83 courts improving case management in FY 2008. Egypt, Guatemala, and Jordan also saw significant improvements; only Haiti fell short of its target.

Eight additional operating units submitted FY 2008 results for this indicator that were not part of the original group of target countries, increasing the total number of U.S. Government-assisted courts with improved case management to 563 courts.

Using Freedom House's Rule of Law Index to monitor broad improvements in the rule of law across South and Central Asia, USAID is able to track the extent to which U.S. Government-assisted programming is contributing to a more effective and impartial justice system in partner countries. Due to the time needed to collect and compile this Index, the most recent data available are for 2007, published in the *Freedom in the World* report in July 2008. The quality of the rule of law in these countries is generally poor, and most nations experienced few significant changes over the previous year. Turkmenistan improved its rule of law by one point but Pakistan declined by one point, resulting in a net change of zero countries that improved the rule of law in 2007. Pakistan's rating was lowered to reflect the imposition of martial law, under which restrictions were placed on freedom of assembly and the media, politicians and human rights activists were held under house arrest, the constitution was suspended, and the Supreme Court was disbanded. Complete data and information for the Rule of Law Index and *Freedom in the World*

USAID-MANAGED RESOURCES	FY 2007 Actual	FY 2008 653(a) Final Base Plus Enacted Supplemental
GOVERNING JUSTLY AND DEMOCRATICALLY ($ thousands)	1,484,899	1,709,595
Good Governance	721,750	745,839

report can be located on the Freedom House website, *http://www.freedomhouse.org*.

PROGRAM AREA: GOOD GOVERNANCE

Assistance in the good governance program area promotes government institutions that are democratic, effective, responsive, sustainable, and accountable to citizens. Constitutional order, legal frameworks, and judicial independence constitute the foundation for a well-functioning society, but they remain hollow unless the government has the capacity to apply these tools appropriately. Activities in the area of good governance support avenues for public participation and oversight and for substantive separation of powers through institutional checks and balances. Transparency and integrity are also vital to government effectiveness and political stability.

USAID monitors broad increases in government effectiveness using World Bank Worldwide Governance Indicators data. This indicator measures the quality of a country's public services, the quality of the civil service and its independence from

Credit: Maureen Taft-Morales, USAID

A K'iche' woman proudly displays her ink stained finger after voting in Guatemala's rural highlands where USAID assistance increased inclusion of rural indigenous women voters.

political pressures, the quality of policy formulation and implementation, and the quality of the government's commitment to such policies. The transition to an effective, democratic government takes time; thus, this indicator measures the progress of five countries in the Middle East toward a "significant improvement" in government effectiveness by 2015. A significant improvement is defined as an improvement of at least 0.20 for Egypt, Jordan, and Lebanon; 0.25 for Iraq; and 0.35 for West Bank/Gaza. The most recent data available are for 2007, published by the World Bank in June 2008. Egypt declined slightly (–0.03) from the previous year, West Bank and Gaza more so (–0.13), and Lebanon the most (–0.16). However, Jordan and Iraq showed a slight improvement in effectiveness over the prior year: +0.08 in Jordan and +0.02 in Iraq. For more information and complete data for the World Bank's Worldwide Governance Indicators, please refer to *http://www. govindicators.org.*

PROGRAM AREA: POLITICAL COMPETITION AND CONSENSUS-BUILDING

Programs in this area support peaceful political competition and negotiation of

USAID-MANAGED RESOURCES	FY 2007 Actual	FY 2008 653(a) Final Base Plus Enacted Supplemental
GOVERNING JUSTLY AND DEMOCRATICALLY ($ thousands)	1,484,899	1,709,595
Political Competition and Consensus-Building	**141,456**	**282,706**

disputes through a democratic and representative political process. They encourage the development of transparent and inclusive electoral and political processes, and democratic, responsive, and effective political parties. The U.S. Government seeks to promote consensus-building among government, political parties, and civil society to advance a common democratic agenda, especially where fundamental issues about the democratization process have not yet been settled.

Free and fair elections are crucial because open and competitive political processes ensure that citizens have a voice in the regular and peaceful transfer of power between governments. An open and competitive electoral system is also a good barometer of the general health of democratic institutions and values, since free and fair elections require a pluralistic

and competitive political system, broad access to information, an active civil society, an impartial judicial system, and effective government institutions. U.S. Government programs are designed to provide assistance where there are opportunities to help ensure that elections are competitive and reflect the will of an informed citizenry and that political institutions are representative and responsive.

The first indicator of performance in this area (below) tracks the number of domestic election observers trained with U.S. Government assistance as one component of promoting credible and fair elections. Because the indicator measures persons trained for deployment as observers before or during national election, targets and results are greatly influenced by the number of elections in a given year. USAID did not meet the 2008 target of 27,536

STRATEGIC GOAL: GOVERNING JUSTLY AND DEMOCRATICALLY

Program Area: Political Competition and Consensus-Building

Performance Indicator: Number of Domestic Election Observers Trained with U.S. Government Assistance

FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Target	FY 2008 Results	FY2008 Rating	FY 2009 Preliminary Target[2]
N/A[1]		53,258	27,536	24,629	Did Not Meet Target	30,000

Data Verification and Validation

Data Source: FY 2008 Performance Reports from Angola, Cambodia, Dominican Republic, Ecuador, Guatemala, Kenya, Morocco, Nigeria, Pakistan, Philippines, Russia, Sierra Leone, and Zimbabwe as collected in the Foreign Assistance Coordination and Tracking System (FACTS). Additional countries have set targets against this indicator in FY 2008 and FY 2009.

Data Quality: Performance data, verified using data quality assessments (DQAs), must meet standards of validity, integrity, precision, reliability, and timeliness. Each operating unit must document the methodology used for conducting the DQAs. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf, p. 20–23).

Notes:
1. FY 2007 was the first reporting cycle under the new Foreign Assistance Framework. A full cycle of performance data for indicators under the framework, including past year results, is therefore available in 2008.
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STRATEGIC GOAL: GOVERNING JUSTLY AND DEMOCRATICALLY

Program Area: Political Competition and Consensus-Building

Performance Indicator: Number of U.S. Government-Assisted Political Parties Implementing Programs to Increase the Number of Candidates and Members who are Women

FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Target	FY 2008 Results	FY2008 Rating	FY 2009 Preliminary Target[2]
N/A[1]		127	152	130	Improved, but Did Not Meet Target	162

Data Verification and Validation

Data Source: FY 2008 Performance Reports from Armenia, Azerbaijan, Belarus, Cambodia, Colombia, Haiti, Indonesia, Kenya, Kosovo, Macedonia, Nigeria, Serbia, and Zimbabwe as collected in the Foreign Assistance Coordination and Tracking System (FACTS). Additional countries have set targets against this indicator in FY 2008 and FY 2009.

Data Quality: Performance data, verified using data quality assessments (DQAs), must meet quality standards of validity, integrity, precision, reliability, and timeliness. Each operating unit must document the methodology used for conducting the DQAs. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf, p. 20–23).

Notes:
1. FY 2007 was the first reporting cycle under the new Foreign Assistance Framework. A full cycle of performance data for indicators under the framework, including past year results, is therefore available in 2008.
2. FY 2009 targets are set at a preliminary level and will be updated when the FY 2009 budget is appropriated.

election observers trained in the original group of target countries. Some country-specific targets were not met because some elections that were to be monitored were postponed. In Russia the target of 6,000 was missed by almost 25% due to what has been reported as a much more difficult environment for election monitors to work in. In the future, programming plans in Russia are expected to shift from training short-term observers to a longer-term focus on monitoring, which will be more conducive to the environment in which they operate. The primary reason for missing the target, however, was that the program emphasis in the Philippines shifted from training domestic election observers to monitoring the number of electoral administration procedures and systems that were strengthened with U.S. Government assistance and did not report against its target of 3,000 observers trained.

Twelve operating units that were not part of the original group of target countries submitted FY 2008 results for this indicator, increasing the total trained with U.S. Government assistance to 66,537 domestic election observers.

Beyond ensuring that elections are conducted fairly and equitably, activities in the political competition and consensus program area focus on increasing the number of underrepresented groups in politics. The second representative indicator in this program area above looks at the number of political parties receiving U.S. Government assistance to increase the number of women candidates and members. Increased access of women and other marginalized groups to the political system is a sign of a more open, democratic, and inclusive

society. This is a direct, global, and verifiable measure of progress toward a key U.S. Government foreign policy objective: the enfranchisement, access, and participation of marginalized groups.

In 2008, 130 U.S. Government-assisted political parties were implementing programs to increase women's participation in politics in the targeted 13 countries, which is an improvement over the 2007 result, but short of the target of 152 parties. The target could possibly have been reached, but Nigeria reported no results against its initial

target of 45 parties. With the exception of Haiti, all other units met or exceeded their targets. In fact, Indonesia was able to significantly exceed its target of assisting eight political parties due to a change in the election law that permitted assistance to 32 parties. This expansion of parties working to increase women's participation is expected to lead to an expansion of opportunities for women to take political and governance leadership roles.

USAID also tracks the Freedom House Electoral Process Index and the World Bank Worldwide Governance Indicators to monitor broad trends in two governance indicators in targeted countries. A group of 10 countries are monitored using the indicator for number of countries showing progress in developing a fair, competitive, and inclusive electoral process. Due to the time needed to collect and compile this Index, the most recent data are for 2007, published in the *Freedom in the World* report in July 2008. Seven of the 10 target nations remained relatively stable over the previous year; however, Iran saw a slight improvement during 2007, and West Bank and Gaza and the Philippines both saw a serious decline. The decline in the Philippines was based in part on a spike in political killings in the run-up to legislative elections. For more information on the Electoral Process Index in Freedom House's *Freedom in the World* report, please refer to *http://www.freedomhouse.org*.

PROGRAM AREA: CIVIL SOCIETY

The U.S. Government seeks to strengthen democratic political culture and citizenship by supporting the means through which citizens can freely organize, advocate, and communicate with fellow citizens, members of their own and other governments, international bodies, and other elements of civil society. This includes supporting civic participation and access to a broadly functioning independent and open media, including the Internet.

A vibrant civil society helps ensure that government and citizens comply with the rule of law. Civil society organizations (CSOs) champion women's rights, expose

USAID-MANAGED RESOURCES	FY 2007 Actual	FY 2008 653(a) Final Base Plus Enacted Supplemental
GOVERNING JUSTLY AND DEMOCRATICALLY ($ thousands)	1,484,899	1,709,595
Civil Society	**428,069**	**398,237**

government corruption and impunity, and spotlight unethical business practices that exploit labor and the environment. Increasing the capacity and quantity of CSOs to serve as watchdogs serves multiple purposes: It increases transparency and the accountability of the government, allows for more information-sharing in communities, and makes for greater economic and social stability. Training is essential to improving the abilities and effectiveness of CSOs to influence government policy.

By monitoring the number of organizations assisted that are engaging in advocacy and watchdog functions (p. 23, top), the U.S. Government can gauge the effectiveness of its efforts to improve the ability of CSOs to affect the level of involvement of the public in decisions made by their governments. For example, in Kenya CSOs were able to monitor events in this year's political turmoil, provide early warnings of potential conflict, and help facilitate discussions among the conflicting groups.

The number of U.S. Government-assisted CSOs engaging in advocacy or watchdog functions exceeded the 2008 target of 1,223. Uganda, Guinea, and Armenia in fact significantly exceeded their targets. Activities in Uganda, for example, built capacity in hundreds of CSOs at the national and local levels, allowing them to play a more active and effective role in the drafting and oversight of laws, policies, and service delivery. The Ugandan results were primarily due to an overwhelming response from CSOs involved in regional land policy consultations across the country.

Twelve additional operating units that were not part of the original group of target countries submitted FY 2008 results for this indicator, increasing the total number of U.S. Government-assisted CSOs engaging in

advocacy or watchdog functions to 1,878.

The sustainability of the sector comprised of non-governmental organizations (NGOs), whether their function relates to advocacy, sports and culture, or community, is another important measure of the strength of civil society and democratic governance. This sector relies on a variety of interconnected factors, including a supportive regulatory and political environment, sufficient independent funding sources, NGO staff skills, and public support. The NGO Sustainability Index (NGOSI) for Europe and Eurasia (E&E) monitors the vitality of civil NGOs in U.S. Government-assisted countries in those regions and provides a rating system that measures the progress of the sector in seven areas deemed critical to NGO sustainability: legal environment, organizational capacity, financial viability, advocacy, service provision, infrastructure, and public image.

The NGOSI draws on the expertise of NGO leaders in 29 countries, partners, donors, and other experts and entities in E&E in order to translate major developments and trends into a country score. The FY 2008 targets for this two-part indicator (p. 23–24) were set based on historical trends; monitoring the trends will demonstrate if countries receiving U.S. foreign assistance are progressing toward a stronger civil society infrastructure. Country scores are set along a continuum characterizing the development and sustainability of the NGO sector from Early Transition (6–7) to Mid-Transition (3–5) to Consolidation (1–3). For more details on what each category entails in each of the seven areas of NGO sustainability, please refer to the full report: *http://www.usaid.gov/locations/europe_eurasia/dem_gov/ngoindex/2007/*.

STRATEGIC GOAL: GOVERNING JUSTLY AND DEMOCRATICALLY

Program Area: Civil Society

Performance Indicator: Number of U.S. Government-Assisted Civil Society Organizations that Engage in Advocacy and Watchdog Functions

FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Target	FY 2008 Results	FY2008 Rating	FY 2009 Preliminary Target[2]
N/A[1]		1,039	1,223	1,315	Met or Exceeded Target	1,300

Data Verification and Validation

Data Source: FY 2008 Performance Reports from Albania, Armenia, Bosnia and Herzegovina, Cambodia, Egypt, Ethiopia, Guinea, Haiti, Honduras, Kazakhstan, Kenya, Kosovo, Liberia, Mexico, Moldova, Montenegro, Nicaragua, Nigeria, Senegal, Serbia, Uganda, Zimbabwe, and East Africa Regional as collected in the Foreign Assistance Coordination and Tracking System (FACTS). Additional countries have set targets against this indicator in FY 2008 and FY 2009..

Data Quality: Performance data, verified using data quality assessments (DQAs), must meet standards of validity, integrity, precision, reliability, and timeliness. Each operating unit must document the methodology used for conducting the DQAs. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf, p. 20–23).

Notes:
1. FY 2007 was the first reporting cycle under the new Foreign Assistance Framework. A full cycle of performance data for indicators under the framework, including past year results, is therefore available in 2008.
2. FY 2009 targets are set at a preliminary level and will be updated when the FY 2009 budget is appropriated.

STRATEGIC GOAL: GOVERNING JUSTLY AND DEMOCRATICALLY

Program Area: Civil Society

Performance Indicator: Europe Non-Governmental Organization (NGO) Sustainability Index

FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Target	FY 2008 Results	FY2008 Rating	FY 2009 Preliminary Target[1]
3.8	3.8	3.8	3.7	3.7	Met or Exceeded Target	3.6

Data Verification and Validation

Data Source: The NGO Sustainability Index for Europe and Eurasia covers Southern Tier countries where the U.S. Government is providing assistance: Albania, Bosnia, Bulgaria, Croatia, Kosovo, Macedonia, Montenegro, Romania, and Serbia. Although a small number of the countries closed their programs in FY 2008, the U.S. Government will continue to monitor them for residual effects. NGOSI scores are measured on a scale of 1 to 7, with 7 indicating a poor level of development and 1 indicating advanced progress. Each country report provides an in-depth analysis of the NGO sector and comparative scores for prior years encapsulated in easy-to-read charts. The full report and rating methodology are usually published in May for the prior year and can be found on USAID's Europe and Eurasia Bureau website, http://www.usaid.gov/locations/europe_eurasia/dem_gov/ngoindex/2007/. Scores for calendar year 2008 will be available in spring 2009.

Data Quality: This indicator has been used by USAID Missions, in-county entities, and other donors and development agencies for the past 11 years. Individual country scores are reviewed by a committee of USAID and country experts.

Notes:
1. FY 2009 targets are set at a preliminary level and will be updated when the FY 2009 budget is appropriated.

STRATEGIC GOAL: GOVERNING JUSTLY AND DEMOCRATICALLY

Program Area: Civil Society

Performance Indicator: Eurasia Non-Governmental Organization (NGO) Sustainability Index

FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Target	FY 2008 Results	FY2008 Rating	FY 2009 Preliminary Target[1]
4.5	4.6	4.6	4.5	4.6	Did Not Meet Target	4.5

Data Verification and Validation

Data Source: The NGO Sustainability Index for Europe and Eurasia covers 12 countries in Eurasia where the U.S. Government provides assistance: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan. NGOSI scores are measured on a scale of 1 to 7, with 7 indicating a poor level of development and 1 advanced progress. Each country report provides an in-depth analysis of the NGO sector and comparative scores for previous years encapsulated in easy-to-read charts The full report is generally published in May for the previous year and can be found on USAID's Europe and Eurasia Bureau website, http://www.usaid.gov/locations/europe_eurasia/dem_gov/ngoindex/2007/. Scores for calendar year 2008 will be available in spring 2009.

Data Quality: This indicator has been used by USAID Missions, in-country entities, and other donors and development agencies for the past 11 years. Individual country scores are reviewed by an editorial committee of USAID and country experts.

Notes:
1. FY 2009 targets are set at a preliminary level and will be updated when the FY 2009 budget is appropriated.

For the most part NGOs operating in Europe, including the European Union's newest members, Bulgaria and Romania, improved their sustainability during the year, meeting the target of a 0.1 score improvement in 2007. Only Kosovo experienced a decline in sustainability caused by the stalemate over its legal status that paralyzed the then-province throughout 2007. The negotiations absorbed both political and non-political actors, and there was a *de facto* public consensus to cease all activities not related to the status issue. NGO sectors in all nine Southern Tier countries fall within the Mid-Transition sustainability phase. Bulgaria is poised to be the first country in the region to enter the Consolidation stage, with Croatia close behind. Serbia falls at the other end of the spectrum, with less sustainability than many of the Eurasian countries considered below.

NGO sector sustainability across Eurasia remained largely stable from 2007 to 2008, though falling short of the 0.1 improvement target. Countries reporting progress, deterioration, and no change during the year were about equal in number. Conditions worsened in Belarus, Georgia, and Tajikistan; Armenia, Azerbaijan, Kazakhstan and Turkmenistan reported slight improvements. Most of the countries in Eurasia fall within the lower half of the Mid-Transition phase, but Belarus, Turkmenistan, and Uzbekistan remain mired in Early Transition as a result of deep government suspicion and hostility. On the other end of the spectrum, Ukraine shows the highest level of sustainability in Eurasia—higher, in fact, than many of its neighbors in Europe.

USAID uses the Freedom House Freedom of the Press Index to broadly track the number of countries showing progress in freedom of media, which assesses media freedom in countries with a known history of media repression. Due to the time needed to collect and compile this information, the most recent data available are for 2007, published by Freedom House in May 2008. In 2007 five of the 14 target countries showed progress in freedom of media, six deteriorated, and 3 three remained the same as in the previous year. In countries whose scores deteriorated, journalists and media outlets experienced increasing government restriction and rising threats, including intimidation, physical attacks, and in a few cases kidnapping. Improvements in other nations were modest, mainly related to fewer detentions and threats by the government and less regulation of the media. Additional information on the Freedom of the Press Index is available on the Freedom House website, *http://www.freedomhouse.org*.

STRATEGIC GOAL ON INVESTING IN PEOPLE

PUBLIC BENEFIT

Disease and lack of education destroy lives, ravage societies, destabilize regions, and deprive future generations of prosperity and participation in democracy. The U.S. Government's strategic approaches for the Investing in People strategic goal help recipient nations achieve sustainable improvements in the well-being and productivity of their citizens and build sustainable capacity to provide services that meet the people's needs. These initiatives also improve the lives of individuals by: 1) increasing their ability to contribute to economic development and participate in democratic decision-making; and 2) mitigating the root causes of poverty and conflict. The three priority program areas within this goal are Health, Education, and Social Services and Protection for Especially Vulnerable Populations.

Activities in the health area improve child, maternal, and reproductive health; prevent and treat infectious diseases; and increase access to better drinking water and sanitation services. Critical interventions combat HIV/AIDS, tuberculosis, malaria, avian influenza, neglected tropical diseases, polio, pneumonia, and diarrhea. Mothers and children are two special target groups for most of these interventions. U.S. Government investments strengthen local capacity to detect and respond to disease outbreaks; improve delivery of health services, essential drugs, and commodities; and support advances in health technology.

Education activities promote the creation and maintenance of effective, equitable, high-quality educational services and systems from primary education and literacy programs to strengthening the i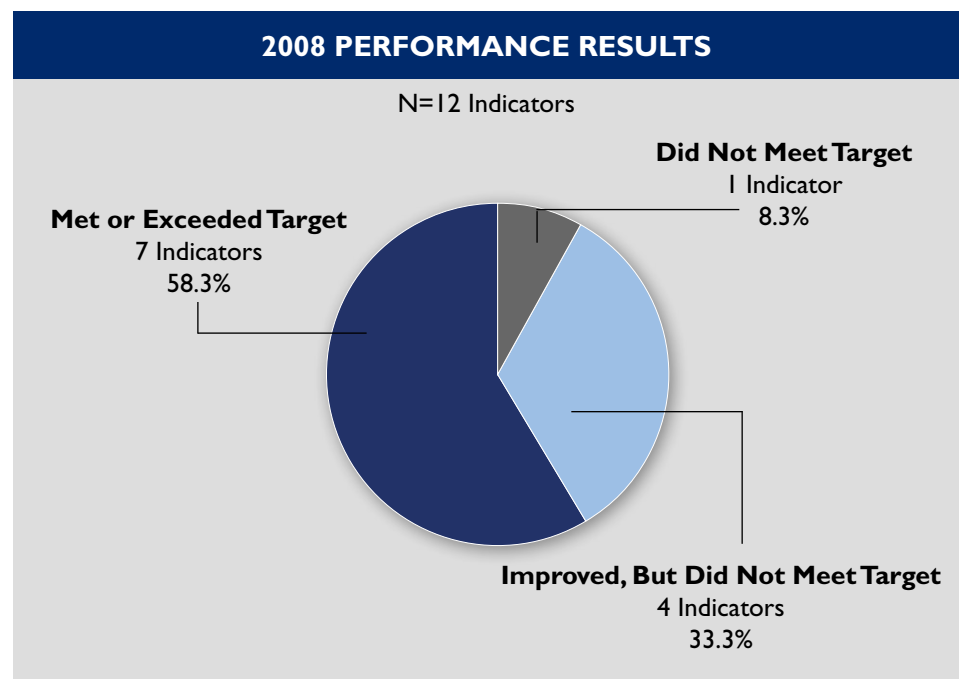nstitutional capacities of public and private institutions of higher education. Investments in basic education generally yield high returns, particularly in the developing world, through improvements in labor productivity and participation in democratic processes, as well as improved health. All programs dedicate special attention to reducing barriers to education for girls and women.

Activities in the area of social services and protection for especially vulnerable populations help recipients manage risks and gain access to opportunities that support their full and productive participation in society. Social services assist those whose needs are not addressed by humanitarian assistance or other programs. USAID work in this area mitigates the long-term impact of economic and social crises, conflict, and torture. Programs strengthen the capacity of local governmental and non-governmental service providers to address the most critical needs of extremely vulnerable populations, such as victims of armed conflict, highly vulnerable children, and victims of torture.

STRATEGIC GOAL PERFORMANCE

In FY 2008, USAID-managed resources for the Investing in People strategic goal totaled approximately $6.3 billion, 45.6% of the Agency budget for the year. Of the 12 indicators illustrating USAID program performance for this goal, seven met or exceeded performance targets; four improved performance over the prior year but did not meet targets; and one did not meet its target.

2008 PERFORMANCE RESULTS

N=12 Indicators

Did Not Meet Target
1 Indicator
8.3%

Met or Exceeded Target
7 Indicators
58.3%

Improved, But Did Not Meet Target
4 Indicators
33.3%

USAID-MANAGED RESOURCES FOR INVESTING IN PEOPLE
By Fiscal Year, Program Area, and Representative Performance Measure

	FY 2007 Actual	FY 2008 653(a) Final Base Plus Enacted Supplemental
TOTAL ($ thousands)	12,712,484[1,2]	13,965,426[1]
INVESTING IN PEOPLE	5,002,922	6,370,419
Health	4,130,757	5,158,868
HIV/AIDS	2,541,281	3,168,287
Number of People Receiving HIV/AIDS Treatment in the 15 Focus Countries		
Number of People Receiving HIV/AIDS Care and Support Services in the 15 Focus Countries		
Tuberculosis	94,864	162,154
Number of Countries Achieving a Tuberculosis Treatment Success Rate (TBS) of 85% or Greater		
Number of Countries Achieving a Tuberculosis Case Detection Rate (TBD) of 70% or Greater		
Malaria	248,000	349,645
Number of People Protected Against Malaria with a Prevention Measure (ITN and/or IRS) in PMI Countries		
Avian Influenza	161,500	115,000
Other Public Health Threats	90,273	96,093
Maternal and Child Health	427,927	565,890
Percentage of Children with DPT3 Coverage		
Percentage of Live Births Attended by Skilled Birth Attendants		
Family Planning and Reproductive Health	450,566	467,267
Modern Contraceptive Prevalence Rate		
Percentage of Births Spaced Three or More Years Apart		
Water Supply and Sanitation	116,346	234,532
Number of People in Target Areas with Access to Improved Drinking Water Supply as a Result of U.S. Government Assistance		
Education	733,654	921,034
Basic Education	581,073	751,330
Higher Education	152,581	169,704
Number of Learners Enrolled in U.S. Government-Supported Primary Schools or Equivalent Non-School-Based Settings, Disaggregated by Sex		
Social Services and Protection for Especially Vulnerable Populations	138,511	290,517
Policies, Regulations, and Systems	2,074	4,988
Social Services	122,421	114,489
Social Assistance	14,016	171,040
Number of People Benefiting from U.S. Government Social Services and Assistance		

1. Includes USAID Foreign Service Retirement and Disability Fund and 60% of the Global HIV/AIDS Initiative account; does not include Public Law 480 funds.

2. Does not include the Andean Counter-Drug Program funds, or $110 million of Economic Support Fund transfer from the Department of Defense.

The President's Emergency Plan for AIDS Relief program exceeded its 2008 target, supporting over two million people with life-saving antiretroviral therapy. The tuberculosis program did not meet its targets for increasing the treatment success and case detection rates due to high rates of HIV co-infection, drug resistance, and continuing internal conflicts disrupting health services in the DRC. The President's Malaria Initiative (PMI) protected about 25 million people against malaria, meeting the year's target. Population surveys found that skilled birth attendants assisted with 48.2% of births during FY 2008, slightly exceeding the target of 47.8%. Forty-nine percent of births were spaced more than three years apart, the healthiest interval for infants and mothers, exceeding the target of 48.6%. About 3.0 million people had access to improved drinking water supply, an improvement over FY 2007, but falling short of the FY 2008 target of 3.4 million. USAID-supported primary schools or equivalent non-school settings enrolled 28.3 million learners, an increase over the prior year result of about 27.1 million, but did not meet the FY 2008 target of 31.8 million. About 5.3 million people benefited from USAID-supported social services and assistance, exceeding the target of 2.7 million.

In FY 2008, USAID conducted 219 evaluations, assessments, and special studies in this strategic goal area. These reviews represent 48.5% of the Agency's evaluation work and cover 32.5% of the total foreign assistance budget. Of these 52%, were used to make programmatic decisions and 44% were used to identify best practices and analyze lessons learned.

Budget and performance information for this goal is highlighted below, with key performance measures described in detailed tables linked to the relevant program area. These measures illustrate USAID's progress toward meeting its Investing in People targets. USAID and other U.S. Government agencies, such as the Departments of State and of Health and Human Services, jointly achieved the HIV/AIDS results.

PROGRAM AREA: HEALTH/ HIV/AIDS

The President's Emergency Plan for AIDS Relief program takes a comprehensive

USAID-MANAGED RESOURCES	FY 2007 Actual	FY 2008 653(a) Final Base Plus Enacted Supplemental
INVESTING IN PEOPLE ($ thousands)	5,002,922	6,370,419
Health	**4,130,757**	**5,158,868**
HIV/AIDS	**2,541,281**	**3,168,287**

approach to HIV/AIDS prevention, treatment, and care in developing countries. This program works in close partnership with host country governments and national and international partners. The Emergency Plan program targets 15 "focus" countries, as well as other bilateral programs around the world. The 15 focus countries are: Botswana, Cote d'Ivoire, Ethiopia, Guyana, Haiti, Kenya, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda, Vietnam, and Zambia.

Performance indicators on HIV/AIDS treatment, prevention, and care and support of vulnerable populations track progress for the 15 focus countries only. These results are linked directly and indirectly to U.S. Government foreign assistance and the Department of Health and Human Services funds. The following table reflects U.S. Government funding for each indicator by fiscal year.

The indicator on the number of people receiving HIV/AIDS treatment in the 15 focus countries (p. 28, top) measures the reach of the President's Emergency Plan programs and allows the Global AIDS Coordinator to determine which countries are facing challenges in scaling up their programs and which countries may have practices that should be replicated elsewhere. The

Emergency Plan-supported treatment has helped to save and extend millions of lives, as well as avoid the orphaning of hundreds of thousands of children whose parents are infected with HIV/AIDS. Because of the rapid scale-up of the programs in partnership with the host nations, the U.S. Government exceeded its 2008 target supporting over two million people with life-saving anti retroviral therapy. This achievement represents a 48% increase over the past year's results.

Effective prevention programs are essential to ending the HIV/AIDS pandemic. The indicator on the estimated number of HIV infections prevented in the 15 focus countries measures the impact of prevention and other programs that mitigate HIV transmission, such as prevention of mother-to-child transmission and behavior change programs. The U.S. Census Bureau has developed a model to estimate the number of HIV/AIDS infections prevented, using extrapolated data from antenatal care clinic (ANC) surveys compiled by the United Nations Joint Program on HIV/AIDS (UNAIDS) and other demographic data. Given the data requirements for calculation, results will be available approximately one to two years after the reported year. Therefore, a comparison for the FY 2007 target

FUNDING FOR 15 EMERGENCY PLAN FOCUS COUNTRIES IN TREATMENT, PREVENTION AND CARE AND SUPPORT ($ thousands)	FY 2007 (incl. Supplemental)	FY 2008* Actual
Treatment	$1,338,832	$1,884,495
Prevention	$601,050	$902,414
Care	$908,697	$1,203,019

* Includes Department of Health and Human Services funding

STRATEGIC GOAL: INVESTING IN PEOPLE

Program Area: Health

Performance Indicator: Number of People Receiving HIV/AIDS Treatment in the 15 Focus Countries

FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Target	FY 2008 Results	FY2008 Rating	FY 2009 Preliminary Target[1]
401,233	822,00	1.3M	1.7M	2.0M	Met or Exceeded Target	2.0M

Data Verification and Validation

Data Source: Semi-Annual and Annual Progress Reports as captured in U.S. Government Country Operational Plan Report Systems. The 15 focus countries are Botswana, Côte d'Ivoire, Ethiopia, Guyana, Haiti, Kenya, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda, Vietnam, and Zambia. HIV/AIDS results are achieved jointly by USAID and other U.S. Government agencies, such as the Departments of State and of Health and Human Services.

Data Quality: The data are verified through triangulation with annual reports by the United Nations Joint Program on HIV/AIDS (UNAIDS) and the World Health Organization (WHO) that identify numbers of people receiving treatment. Country reports by UN agencies such as UNICEF and the UN Development Programme indicate the status of such human and social indicators as life expectancy and infant and under-5 mortality rates.

Notes:
1. FY 2009 targets are set at a preliminary level and will be updated when the FY 2009 budget is appropriated.

STRATEGIC GOAL: INVESTING IN PEOPLE

Program Area: Health

Performance Indicator: Number of People Receiving HIV/AIDS Care and Support Services in the 15 Focus Countries

FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Target	FY 2008 Results	FY2008 Rating	FY 2009 Preliminary Target[1]
2.9M	4.4M	6.6M	8.2M	9.7M	Met or Exceeded Target	10.0M

Data Verification and Validation

Data Source: Semi-Annual and Annual Progress Reports are captured in U.S. Government Country Operational Plan Report Systems. The 15 focus countries are Botswana, Côte d'Ivoire, Ethiopia, Guyana, Haiti, Kenya, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda, Vietnam, and Zambia. HIV/AIDS results are achieved jointly by USAID and other U.S. Government agencies, such as the Departments of State and of Health and Human Services.

Data Quality: The data are verified through triangulation with population-based surveys of care and support for orphans and vulnerable children; program monitoring of provider capacity and training; targeted program evaluations; and management information systems that integrate data from patient care management, facility, and program management systems.

Notes:
1. FY 2009 targets are set at a preliminary level and will be updated when the FY 2009 budget is appropriated.

of 2.8 million infections prevented will not be available until FY 2009. To ensure reliability of the data, country longitudinal ANC prevalence rates will be triangulated with population surveys of HIV testing results, UNAIDS country bi-annual report-ing prevalence rates, and United Nations country reports indicating status of human and social development indicators.

The indicator above on the number of people receiving HIV/AIDS care and support services in the 15 focus countries measures the reach of the Emergency Plan programs, allowing the U.S. Government to determine which countries are facing challenges in scaling up their programs and which countries may have practices that should be replicated elsewhere. The Emergency Plan

A STORY OF HOPE

Bridget Chisenga, who is HIV positive, is an AIDS Relief Adherence Officer with Catholic Relief Services (CRS) in Zambia. She describes her personal story and how the President's Emergency Plan for AIDS Relief impacted her life: "Last December on World AIDS Day, I gave President Bush a hug. I wanted to thank him and the American people, who are making an incredible difference in the lives of millions living with HIV, including me. Years ago … I lost my husband to AIDS and expected to meet the same fate …. Fortunately, I was able to start taking antiretroviral medications, thanks to an AIDS Relief program in Zambia funded by the U.S. President's Emergency Plan for AIDS Relief. This program is literally saving my life. And with this new lease on life … I am taking care of my siblings, as well as a house full of orphans. My improved health also lets me continue my work as an AIDS Relief Adherence Officer in Zambia with CRS. … I want Americans to realize just how significantly their generous contribution is improving people's lives across the globe. You are enabling miracles to happen each day." (Adapted from a story provided by Catholic Relief Services.)

programs that provide care and support to people living with or affected by HIV/AIDS, including orphans and vulnerable children, have helped save and extend millions of lives. The U.S. Government exceeded its FY 2008 target supporting key care and support services for nearly 9.7 million people, including nearly four million orphans and vulnerable children. These results represent a 46% increase over last year's results and were achieved through rapid scale-up of programs in partnership with host nations.

PROGRAM AREA: HEALTH/ TUBERCULOSIS (TB)

Twenty-two developing countries account for 80% of the world's TB cases; the disease kills more than 1.2 million people each year in those countries. Furthermore, TB is a serious and common co-infection for HIV-infected individuals. The focus of USAID's TB program is to combat multi-drug-resistant TB (MDR-TB) and extremely-drug-resistant TB (XDR-TB). Resources are used to conduct drug resistance surveys, introduce and help scale up infection control practices, and build desperately needed national laboratory capacity. The results achieved are measured at the national level by strategically leveraging USAID resources with funds from other donors, in particular the Global Fund to Fight AIDS, TB, and Malaria (GF). Members of the Stop TB Partnership, including the World Health Organization (WHO) and USAID, are promoting accelerated implementation of the Stop TB Strategy, which includes expanding the directly-observed-treatment short-course (DOTS) strategy in health facilities and communities; helping reinforce health systems; addressing MDR/TB and TB/HIV and other challenges; engaging all care providers, public and private; empowering people with TB and the communities that care for them; and promoting research. The two performance indicators for TB programs (p. 30) measure treatment success rate (TBS) and case detection rate (TBD). In FY 2008 USAID did not meet the targets for either indicator.

Tracking the number of countries that meet their TBS is a key indicator of how effectively the U.S. Government is fighting this disease. TBS is the proportion of patients who complete their entire course of treatment; the target for each country is at least 85%. TBS has improved steadily in high-burden countries in Africa, Asia, and the Middle East, and several countries receiving USAID support are close to reaching the threshold for this indicator (for example, Zambia is at 84%). The slow progress in countries like Brazil is linked to high rates of HIV infection, drug resistance, and inadequate health services.

TBD is measured by dividing annual new smear-positive notifications by estimated annual new smear-positive cases (incidence). TBD efforts directly contribute to advances in the control of TB by notifying those whose tests are positive for TB and getting them involved in the DOTS strategy. This indicator reflects the number of countries receiving USAID assistance with a TBD of 70% or greater. As anticipated, two more countries, Indonesia and Kenya, reached or exceeded the target in FY 2008. However, the DRC dropped below 70% because continuing internal conflicts disrupt health services. Thus, four countries reached the threshold in 2008 against a goal of five. In general, increases in TBD rates in DOTS areas have made an important contribution to the overall improvement in case detection since 2001.

USAID-MANAGED RESOURCES	FY 2007 Actual	FY 2008 653(a) Final Base Plus Enacted Supplemental
INVESTING IN PEOPLE ($ thousands)	5,002,922	6,370,419
Health	4,130,757	5,158,868
Tuberculosis (TB)	94,864	162,154

STRATEGIC GOAL: INVESTING IN PEOPLE

Program Area: Health

Performance Indicator: Number of Countries Achieving a Tuberculosis Treatment Success Rate (TBS) of 85% or Greater

FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Target	FY 2008 Results	FY2008 Rating	FY 2009 Preliminary Target[1]
4	6	7	8	7	Did Not Meet Target	9

Data Verification and Validation

Data Source: World Health Organization (WHO) Reports, Global Tuberculosis Control, Geneva. Countries covered are Afghanistan, Bangladesh, Brazil, Cambodia, DRC, Ethiopia, India, Indonesia, Kenya, Mozambique, Nigeria, Pakistan, Philippines, Russia, South Africa, Tanzania, Uganda, and Zambia. Data from Ukraine are expected to become available for the first time in FY 2009. Targets are set three years in advance and due to the duration of TB treatment results are reported from data that are three years old. This indicator tracks 19 tier 1 countries for which progress can be monitored consistently over time; Ukraine does not have validated data for this indicator. Zambia did not begin to report to WHO until 2004.

Data Quality: The USAID Analysis, Information Management and Communication (AIM) Project examines all third-party data for this indicator and triangulates them with a variety of sources to verify their quality, validity, and reliability.

Notes:
1. FY 2009 targets are set at a preliminary level and will be updated when the FY 2009 budget is appropriated.

STRATEGIC GOAL: INVESTING IN PEOPLE

Program Area: Health

Performance Indicator: Number of Countries Achieving a Tuberculosis Case Detection Rate (TBD) of 70% or Greater

FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Target	FY 2008 Results	FY2008 Rating	FY 2009 Preliminary Target[1]
1	3	3	5	4	Improved, but Did Not Meet Target	7

Data Verification and Validation

Data Source: World Health Organization (WHO) Reports, Global Tuberculosis Control, Geneva. Countries covered are Afghanistan, Bangladesh, Brazil, Cambodia, DRC, Ethiopia, India, Indonesia, Kenya, Mozambique, Nigeria, Pakistan, Philippines, Russia, South Africa, Tanzania, Uganda, and Zambia. Data from Ukraine are expected to become available for the first time in FY 2009. Targets are set three years in advance and results are reported from data that is two years old. This indicator tracks 19 tier 1 countries for which progress can be monitored consistently over time. Ukraine does not have validated data for this indicator. Zambia did not begin to report to WHO until 2004.

Data Quality: USAID's Analysis, Information Management and Communication (AIM) Project examines all third-party data for this indicator, and triangulates them with various sources to verify their quality, validity, and reliability.

Notes:
1. FY 2009 targets are set at a preliminary level and will be updated when the FY 2009 budget is appropriated.

PROGRAM AREA: HEALTH/ MALARIA

In June 2005, President Bush launched the President's Malaria Initiative (PMI), pledging to increase U.S. Government funding by more than $1.2 billion over five years to reduce deaths from malaria by 50% in 15 African countries. The increased funding enables the U.S. Government to accelerate expansion of the PMI program to achieve the President's target. The two critical emphases of PMI are insecticide-treated mosquito nets (ITN) and indoor residual spraying (IRS), which when used properly are highly effective in controlling malaria.

After only three years there is evidence in at least five PMI focus countries that the program is having an impact on malaria transmission. For example, in Zanzibar the percentage of children who tested positive for malaria dropped from 22% in 2005 to less than 1% after distribution of long-lasting ITNs and IRS. In Malawi, where coverage with ITNs has been increasing rapidly for several years, a 2007 household survey in six districts showed a 43% decline in severe anemia (a major effect of malaria) among children aged six to 30 months compared with 2005. In Zambia, malaria parasite prevalence decreased by 54%,

from 22% to 10%, between 2006 and 2008 in children under age five. Severe anemia in the same age group decreased by 68%, from 13% to 4%, demonstrating a major improvement in children's health because of the scaled-up malaria prevention and treatment interventions. Finally, in Rwanda a 2008 national survey showed malaria parasite prevalence falling below 3% from its historic level of at least 9%.

The indicator below measures the number of people protected against malaria with a prevention measure (ITN, IRS, or both) supported by PMI funds. It also indicates whether U.S. assistance is succeeding in extending the prevention measures that are necessary to reduce the number of malaria deaths in 15 African countries by 50%.

PROGRAM AREA: HEALTH/ MATERNAL AND CHILD HEALTH

Maternal and child health (MCH) activities increase the availability and use of proven life-saving interventions that address the major killers of mothers and children and improve their health and nutrition status. Examples of MCH activities include: effective maternity care and management of obstetric complications; prevention services including newborn care, routine immunization, polio eradication, safe water and hygiene, and micronutrients; improved maternal, infant and young child feeding; and treatment of life-threatening childhood illnesses.

USAID-MANAGED RESOURCES	FY 2007 Actual	FY 2008 653(a) Final Base Plus Enacted Supplemental
INVESTING IN PEOPLE ($ thousands)	5,002,922	6,370,419
Health	4,130,757	5,158,868
Malaria	248,000	349,645

STRATEGIC GOAL: INVESTING IN PEOPLE

Program Area: Health

Performance Indicator: Number of People Protected Against Malaria with a Prevention Measure (ITN and/or IRS) in President's Malaria Initiative (PMI) Countries

FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Target	FY 2008 Results	FY2008 Rating	FY 2009 Preliminary Target[2]
N/A[1]	3.7M	22.3M	25.0M	25.0M	Met or Exceeded Target	30.0M

Data Verification and Validation

Data Source: USAID program information. The 15 PMI focus countries are Angola, Benin, Ethiopia, Ghana, Kenya, Liberia, Madagascar, Malawi, Mali, Mozambique, Rwanda, Senegal, Tanzania, Uganda, and Zambia. The 2006 results are based only on efforts in Angola, Tanzania, and Uganda. The FY 2007 results reflect activities completed in 7 countries and rapid start-up activities initiated in 8 new countries.

Data Quality: Performance data, verified using data quality assessments (DQAs), must meet standards of validity, integrity, precision, reliability, land timeliness. Each operating unit must document the methodology for conducting DQAs. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5; http://www.usaid.gov/policy/ads/200/203.pdf, p. 20–23).

Notes:
1. PMI was launched in June 2005, so complete year results were not available until 2006.
2. FY 2009 targets are set at a preliminary level and will be updated when the FY 2009 budget is appropriated.

USAID-MANAGED RESOURCES	FY 2007 Actual	FY 2008 653(a) Final Base Plus Enacted Supplemental
INVESTING IN PEOPLE ($ thousands)	5,002,922	6,370,419
Health	4,130,757	5,158,868
Maternal and Child Health	427,927	565,890

USAID's MCH strategy is to achieve average reductions of both under-five and maternal mortality by 25% in at least 25 high mortality burden countries and average reductions of child malnutrition by 15% in at least 10 of these countries. This second goal can be achieved through the delivery of high impact interventions to prevent or treat the major causes of maternal and child mortality and malnutrition. The focus of the strategy is on accelerating programs to increase coverage of the key interventions: antenatal care and skilled birth attendants; newborn care; breastfeeding and appropriate child feeding; immunization; vitamin A and zinc supplementation; and prevention and treatment of diarrhea and pneumonia.

The indicator below on DPT3 coverage rate refers to the percentage of children in developing countries ages 12-23 months who received three doses of diphtheria/pertussis (whooping cough)/tetanus vaccine at any time before the Demographic and Health Survey (DHS). DTP3 coverage and frequency of attendance of skilled birth attendants are two of the flagship measures of performance of maternal and child health programs because they demonstrate a working health system, utilization of health services, and positive care-seeking behavior. All of these factors contribute to a reduction in morbidity and mortality. Coverage of child immunization through regular programs, rather than special campaigns, is an internationally accepted health indicator

because it improves overall immunization status, as well as being a good indication of a working health system and utilization of services. Progress in this area contributed to an increase in global coverage for DTP3 from 73% to 81% between 2000 and 2007, translating into protection for 33.0 million additional children. Through the USAID-supported Global Alliance for Vaccine Initiative, nearly 3.4 million premature deaths were averted from 2000 to 2008. This was an increase of 600,000 deaths when compared to the previous estimate.

Most non-abortion-related maternal deaths happen during labor and delivery or within the first few days of the child's life. Because potentially fatal complications can occur among women who do not fall into any of the traditional high-risk groups, they are difficult to predict and prevent. In many countries births occur at home. Increasing the frequency of attendance of skilled birth attendants is more likely to result in prompt recognition of complications, initiation of treatment, and lives saved. The use of skilled birth attendants has increased considerably, more than doubling in Nepal, Indonesia, Bangladesh, and Egypt.

STRATEGIC GOAL: INVESTING IN PEOPLE

Program Area: Health

Performance Indicator: Percentage of Children with DPT3 Coverage

FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Target	FY 2008 Results	FY2008 Rating	FY 2009 Preliminary Target[1]
60.4%	61.1%	60.5%	61.5%	61.7%	Met or Exceeded Target	62.0%

Data Verification and Validation

Data Source: Demographic Health Surveys; Census Bureau (for population weights) for Armenia, Bangladesh, Benin, Bolivia, Cambodia, Dominican Republic, Egypt, Eritrea, Ethiopia, Ghana, Guatemala, Guinea, Haiti, India, Indonesia, Jordan, Kazakhstan, Kenya, Madagascar, Malawi, Mali, Mozambique, Nepal, Nicaragua, Nigeria, Peru, Philippines, Rwanda, Senegal, Tanzania, Uganda, Yemen, Zambia, and Zimbabwe. Targets for DPT3 coverage through 2006 were based on the rate of change observed during the 1990s and assumed a 1% annual increase as of 2004. The 0.5% annual increase for FY 2007 and beyond reflects slower growth for the indicator since 2000.

Data Quality: The USAID Analysis, Information Management and Communication (AIM) Project examines all third-party data for this indicator and triangulates them with a variety of sources to verify their quality, validity, and reliability.

Notes:
1. FY 2009 targets are set at a preliminary level and will be updated when the FY 2009 budget is appropriated.

STRATEGIC GOAL: INVESTING IN PEOPLE

Program Area: Health

Performance Indicator: Percentage of Live Births Attended by Skilled Birth Attendants

FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Target	FY 2008 Results	FY2008 Rating	FY 2009 Preliminary Target[1]
46.8%	47.8%	47.7%	47.8%	48.2%	Met or Exceeded Target	48.3%

Data Verification and Validation

Data Source: Demographic and Health Surveys data and CDC/Reproductive Health Surveys for Armenia, Bangladesh, Benin, Bolivia, Cambodia, Dominican Republic, Egypt, Eritrea, Ethiopia, Ghana, Guatemala, Guinea, Haiti, India, Indonesia, Jordan, Kazakhstan, Kenya, Madagascar, Malawi, Mali, Mozambique, Nepal, Nicaragua, Nigeria, Peru, Philippines, Rwanda, Senegal, Tanzania, Uganda, Yemen, and Zambia. Targets for skilled birth attendants were set by using the estimate for 2004 and adding a 0.5% increment increase every year.

Data Quality: The USAID Analysis, Information Management, and Communication (AIM) Project examines all third-party data for this indicator and triangulates them with a variety of sources to verify their quality, validity, and reliability.

Notes:
1. FY 2009 targets are set at a preliminary level and will be updated when the FY 2009 budget is appropriated.

PROGRAM AREA: HEALTH/ FAMILY PLANNING AND REPRODUCTIVE HEALTH

The U.S. Government's family planning and reproductive health (FP/RH) program is designed to expand access to high-quality, voluntary family planning services and information and reproductive health care. This program is intended to reduce unintended pregnancy and promote healthy reproductive behaviors. USAID assesses program progress by using a variety of indicators, including modern contraceptive use and optimal birth spacing. Use of modern contraception increases and birth spacing improves when: a) people know about the health and other benefits of family planning and where they can obtain voluntary family planning services; b) voluntary planning services are easily accessible and of high-quality; c) a wide range of tempo-

rary, long-acting, and permanent methods are available and affordable; and d) family planning use is an accepted normative behavior.

U.S. Government support for service delivery, training, performance improvement, contraceptive availability and logistics, health communication, biomedical and social science research, policy analysis and planning, and monitoring and evaluation helps create these conditions. Family planning is an effective and cost-effective response to the serious public health issues of maternal and child mortality. Studies show that family planning, through birth spacing, has immediate benefits for the lives and health of mothers and their infants. Ensuring basic access to family planning could reduce maternal deaths by a third and child deaths by nearly 10%.

Between 2000 and 2008, USAID family planning assistance contributed to a steady increase in the average modern contraceptive prevalence rate from 32% to over 39%. This has resulted in an increase in total satisfied demand for family planning from 44% to 52%. Importantly, this has contributed to a decrease in the total fertility rate, in targeted countries, from an average of 4.6 children per woman to 4.1. A strong family planning program can be expected to increase the modern contraceptive prevalence rate (MCPR) at the country level by one to two percentage points annually. The MCPR indicator (p. 34, top) measures the percentage of in-union women of reproductive age (15–49) using, or whose partner is using, a modern method of contraception at the time of the survey. Increased contraceptive use leads to decreases in both births and abortion rates.

The second family planning indicator (p. 34, bottom) percent of births spaced three or more years apart, is a relatively new indicator. Longer birth intervals are associated with a significant reduction in risk of mortality for both mothers and infants. By measuring the trend of birth intervals spaced more than three years apart in areas receiving foreign assistance, USAID can assess the impact of its programs on reproductive behavior that lead to a posi-

USAID-MANAGED RESOURCES	FY 2007 Actual	FY 2008 653(a) Final Base Plus Enacted Supplemental
INVESTING IN PEOPLE ($ thousands)	5,002,922	6,370,419
Health	4,130,757	5,158,868
Family Planning and Reproductive Health	450,566	467,267

STRATEGIC GOAL: INVESTING IN PEOPLE

Program Area: Health

Performance Indicator: Modern Contraceptive Prevalence Rate

FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Target	FY 2008 Results	FY2008 Rating	FY 2009 Preliminary Target[1]
36.9%	37.9%	38.6%	39.9%	39.2%	Improved, but Did Not Meet Target	40.9%

Data Verification and Validation

Data Source: Demographic and Health Surveys data and CDC/Reproductive Health Surveys for: Armenia, Bangladesh, Benin, Bolivia, Cambodia, Dominican Republic, Egypt, El Salvador, Ethiopia, Ghana, Guatemala, Guinea, Haiti, Honduras, India, Indonesia, Jamaica, Jordan, Kazakhstan, Kenya, Madagascar, Malawi, Mali, Mozambique, Nepal, Nicaragua, Nigeria, Paraguay, Peru, Philippines, Romania, Senegal, Tanzania, Uganda, Uzbekistan, Yemen, Zambia, and Zimbabwe. For India, data are from Uttar Pradesh, where USAID's Family Planning/Reproductive Health program is focused, rather than from India as a whole. Targets for MCPR were set using an expected progress of one percentage point annually as of 2004.

Data Quality: The USAID Analysis, Information Management and Communication (AIM) Project examines all third-party data for this indicator and triangulates them with a variety of sources to verify their quality, validity, and reliability.

Notes:
1. FY 2009 targets are set at a preliminary level and will be updated when the FY 2009 budget is appropriated.

STRATEGIC GOAL: INVESTING IN PEOPLE

Program Area: Health

Performance Indicator: Percentage of Births Spaced 3 or More Years Apart

FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Target	FY 2008 Results	FY2008 Rating	FY 2009 Preliminary Target[1]
46.8%	47.6%	48.8%	48.6%	49.0%	Met or Exceeded Target	49.3%

Data Verification and Validation

Data Source: Demographic and Health Surveys data and CDC/Reproductive Health Surveys for Armenia, Bangladesh, Benin, Bolivia, Cambodia, Dominican Republic, Egypt, El Salvador, Ethiopia, Ghana, Guatemala, Guinea, Haiti, India, Indonesia, Jordan, Kazakhstan, Kenya, Madagascar, Malawi, Mali, Mozambique, Nepal, Nicaragua, Nigeria, Peru, Philippines, Senegal, Tanzania, Uganda, Yemen, Zambia, and Zimbabwe. For India, data are from Uttar Pradesh, where USAID's Family Planning/Reproductive Health program is focused, rather than from India as a whole. Targets for birth spacing were set using expected annual progress of 0.7 percentage points as of 2004.

Data Quality: The USAID Analysis, Information Management and Communication (AIM) Project examines all third-party data for this indicator and triangulates them with a variety of sources to verify their quality, validity, and reliability.

Notes:
1. FY 2009 targets are set at a preliminary level and will be updated when the FY 2009 budget is appropriated.

tive health impact for mothers and children. For many years, the U.S. Government promoted birth intervals of at least two years as the healthiest for mother and child. More recent data suggest that spacing births at least three years apart significantly lowers maternal and infant mortality risk compared to shorter intervals. The program guidance and the indicator reflect this new consensus.

PROGRAM AREA: HEALTH/ WATER SUPPLY AND SANITATION

Access to a clean, reliable, and economically sustainable drinking water supply and use of effective improved sanitation are key components of a country's ability to attain health, security, and prosperity for its population. Access is achieved through diverse approaches, including both direct support for small and large-scale infrastructure development and indirect support for institutional development, community-based systems, demand creation, facilitation of private supply of products and services, and financing to ensure long-term sustainability and expansion of access.

The indicator (p. 36, top) measures the number of new people who gained access to an improved water source, such as a household connection, public standpipe, borehole, protected well or spring, or rainwater collection, during the reporting period. The FY 2008 results improved over

USAID-MANAGED RESOURCES	FY 2007 Actual	FY 2008 653(a) Final Base Plus Enacted Supplemental
INVESTING IN PEOPLE ($ thousands)	5,002,922	6,370,419
Health	**4,130,757**	**5,158,868**
Water Supply and Sanitation	**116,346**	**234,532**

the prior year, but did not meet the target. This stems primarily from a delay in the start-up of the program in India, and the suspension of all regularly planned water and sanitation activities because partners focused on emergency responses to Cyclone Sidr in Bangladesh.

It is important to note that the significant increases in funding for water supply and sanitation activities from FY 2007 to FY 2008 should be reflected in expanded program outputs in next year's performance

report, since FY 2008 funds were made available for programming very late in the fiscal year. This will allow the scale-up of innovative models such as USAID/Indonesia's work to connect poor households to a piped water supply through community-managed systems connected to a metered utility-provided supply. Program expansion is already reflected in the current report; an additional 15 countries reported FY 2008 results for this indicator, providing access to improved drinking water supply to another 1.57 million people in USAID target areas.

A Ugandan child under an insecticide-treated bed net provided as part of USIAD efforts to halve malarial deaths.

STRATEGIC GOAL: INVESTING IN PEOPLE						
Program Area: Health						
Performance Indicator: Number of People in Target Areas with Access to Improved Drinking Water Supply as a Result of U.S. Government Assistance						
FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Target	FY 2008 Results	FY2008 Rating	FY 2009 Preliminary Target[2]
N/A[1]		2.1M	3.4M	3.0M	Improved, but Did Not Meet Target	5.5M
Data Verification and Validation						
Data Source: FY 2008 Performance Reports from Armenia, Bangladesh, Bolivia, Burkina Faso, Ecuador, Ethiopia, Ghana, India, Indonesia, Madagascar, Mali, Pakistan, Philippines, Somalia, South Africa, Africa Regional, Asia and Near East Regional, and Europe & Eurasia Regional Bureau, as captured in the U.S. Government Foreign Assistance Coordination and Tracking System (FACTS).						
Data Quality: Performance data, verified using data quality assessments (DQAs), must meet standards of validity, integrity, precision, reliability, and timeliness. Each operating unit must document the methodology used for conducting the DQAs. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf, p. 20–23).						
Notes: 1. FY 2007 was the first reporting cycle under the new Foreign Assistance Framework. A full cycle of performance data for indicators under the framework, including past year results, is therefore available in 2008. 2. FY 2009 targets are set at a preliminary level and will be updated when the FY 2009 budget is appropriated.						

PROGRAM AREA: EDUCATION/ BASIC EDUCATION

The U.S. Government supports equitable access to quality basic education by improving early childhood, primary, and secondary education delivered in both formal and informal settings. The basic education program includes literacy, numeracy, and other basic skills programs for both youth and adults.

At the outcome level, this increased support is expected to raise the net enrollment rate (NER) of primary level students in USAID-assisted countries. The NER is affected by not only U.S. Government interventions, but also the host governments, the broader donor community, and the individual country's context (for example the declines in the percent of Kenyan youth attending school since the outbreak of civil strife in the country). The U.S. Government is particularly interested in actual learning, not just in enrollment. Currently, there are no global indicators for learning outcomes, however, progress is being made in the development of learning outcome indicators, and other broader, more meaningful aggregate indicators of education performance.

As shown in the basic education indicator (p. 37), one of the many outputs leading to an increase in NER is the number of learners enrolled in USAID supported primary schools or equivalent non-school-based settings. This indicator tracks individuals formally enrolled in U.S. Government-supported primary schools and other equivalent non-school based settings, such as individuals receiving basic education via radio and/or TV programs. Increases in the number of learners contribute directly to the United Nations Millennium Development Goal of 100% primary school net enrollment rate by the year 2015.

The FY 2008 results improved over the previous year but did not meet the target because a few countries such as Indonesia and Uganda shifted focus to a limited number of schools to ensure the long-term sustainability of the programs. However, India demonstrated notable success because implementing partners worked with state governments and private entities to scale up successful education interventions. Furthermore, 22 countries that were not part of the original FY 2008 target countries submitted FY 2008 results for this indicator, increasing the number of learners enrolled in USAID-assisted schools by another 12 million.

USAID-MANAGED RESOURCES	FY 2007 Actual	FY 2008 653(a) Final Base Plus Enacted Supplemental
INVESTING IN PEOPLE ($ thousands)	5,002,922	6,370,419
Education	**733,654**	**921,034**
Basic Education	**581,073**	**751,330**

STRATEGIC GOAL: INVESTING IN PEOPLE

Program Area: Health

Performance Indicator: Number of Learners Enrolled in USG-supported Primary Schools or Equivalent Non-School-based Settings, Disaggregated by Sex

FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Target	FY 2008 Results	FY2008 Rating	FY 2009 Preliminary Target[2]
N/A[1]		27.1M (Girls 48%)	31.8M (Girls 48%)	28.3M (Girls 47%)	Improved, but Did Not Meet Target	24.6M (Girls 49%)

Data Verification and Validation

Data Source: 2008 Performance Reports from Burma, Burundi, Egypt, El Salvador, Ghana, Guatemala, Haiti, India, Indonesia, Kenya, Macedonia, Mali, Pakistan, Peru, Philippines, South Africa, Sudan, Tanzania, Uganda, and Africa Regional, as captured in the U.S. Government Foreign Assistance Coordination and Tracking System (FACTS).

Data Quality: Performance data, verified using data quality assessments (DQAs), must meet standards of validity, integrity, precision, reliability, and timeliness. Each operating unit must document the methodology used for conducting the DQAs. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf, p. 20–23).

Notes:
1. FY 2007 was the first reporting cycle under the new Foreign Assistance Framework. A full cycle of performance data for indicators under the framework, including past year results, is therefore available in 2008.
2. FY 2009 targets are set at a preliminary level and will be updated when the FY 2009 budget is appropriated.

PROGRAM AREA: SOCIAL SERVICES AND PROTECTION FOR ESPECIALLY VULNERABLE POPULATIONS

Social services and assistance programs play an important role in reducing poverty, offering targeted assistance to meet basic needs for vulnerable populations. Activities in this area address factors that place individuals at risk for poverty, exclusion, neglect, or victimization. When populations are helped to manage their risks and gain access to opportunities that support their full and productive participation in society, they rebound from temporary adversity, cope with chronic poverty, reduce vulnerability, and increase self-reliance. Activities include disability services and provision of wheelchairs, support for war victims, and services for displaced children and orphans.

In FY 2008, the War Victims Fund greatly expanded access to affordable prosthetic and other orthopedic and rehabilitation services. The Displaced Children and Orphans Fund (DCOF) supported a variety of programs designed to ensure that vulnerable families were able to remain intact and provide the necessary care and protection of their children. The DCOF also supported reunification of unaccompanied children with their own or alternative family care units and initiated new approaches to strengthen livelihoods through small and intermediate enterprise development and other market-based interventions. The Victims of Torture Fund strengthened the

VOICES FROM THE FIELD

RADIO WAVES IMPROVE ACCESS TO EDUCATION
To improve access to elementary-level education programs worldwide, USAID developed a distance-learning, interactive radio instruction (IRI) system that increased the number of learners enrolled in U.S. Government-supported primary schools or equivalent non-school-based settings. The cost-effective system reaches a large number of students in rural and hard-to-reach communities. The program, now in use in over 20 countries, combines radio broadcasts with active learning to improve educational quality and practices. In Zambia, students receiving math instruction via IRI achieved a higher score than 71% of the students who did not receive radio instruction. In Nigeria, IRI instruction on literacy achieved a 4% boost in learning gains in one year. IRI learners in Pakistan and India demonstrated gains in speaking and understanding English. Governments in Guinea, Mali, India, and Zambia are now continuing IRI broadcasting and programming on their own, building on the work of USAID-funded activities.

capacities of 16 torture treatment centers to treat and rehabilitate individuals, families, and community members suffering the physical and psychological effects of torture. In FY 2008 the Fund initiated assistance for torture survivors in Iraq. The Disability Fund supported 30 programs in 23 countries that increased the participation of people with disabilities in the programs. Finally, in 2008 the Wheelchair Fund supported provision of thousands of wheelchairs to those most in need and in collaboration with the WHO, issued the first-ever Guidelines on Provision of Manual Wheelchairs in Less Resourced Settings.

USAID-MANAGED RESOURCES	FY 2007 Actual	FY 2008 653(a) Final Base Plus Enacted Supplemental
INVESTING IN PEOPLE ($ thousands)	5,002,922	6,370,419
Social Services and Protection for Vulnerable Populations	138,511	290,517
Policies, Regulations, and Systems	2,074	4,988
Social Services	122,421	114,489
Social Assistance	14,016	171,040

The representative indicator below tracks improvement in the coverage of a nation's social assistance and social service programs for vulnerable people and is also a proxy indicator of a government's commitment to poverty reduction. USAID exceeded its FY 2008 target because an additional 2.5 million people benefited from its social services and assistance as countries like Armenia and West Bank/Gaza saw a sharp increase in their recipient population. Furthermore, an additional 14 countries that were not part of the original FY 2008 target countries submitted FY 2008 results for this indicator, increasing the number of people benefiting from USAID services by another 1.36 million.

STRATEGIC GOAL: INVESTING IN PEOPLE

Program Area: Health

Performance Indicator: Number of People Benefiting from U.S. Government Social Services and Assistance

FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Target	FY 2008 Results	FY2008 Rating	FY 2009 Preliminary Target[2]
N/A[1]		1.8M	2.7M	5.3M	Met or Exceeded Target	3.0M

Data Verification and Validation

Data Source: 2008 Performance Reports from Armenia, Bangladesh, Belarus, Bolivia, Burkina Faso, Colombia, Democratic Republic of Congo, Ghana, Haiti, Honduras, Liberia, Madagascar, Malawi, Russia, Rwanda, West Bank and Gaza, and Africa Regional (USAID), as captured in the U.S. Government Foreign Assistance Coordination and Tracking System (FACTS).

Data Quality: Performance data, verified using data quality assessments (DQAs), must meet quality standards of validity, integrity, precision, reliability, and timeliness. Each operating unit must document the methodology used for conducting the DQAs. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf, p. 20–23).

Notes:
1. FY 2007 was the first reporting cycle under the new Foreign Assistance Framework. A full cycle of performance data for indicators under the framework, including past year results, is therefore available in 2008.
2. FY 2009 targets are set at a preliminary level and will be updated when the FY 2009 budget is appropriated.
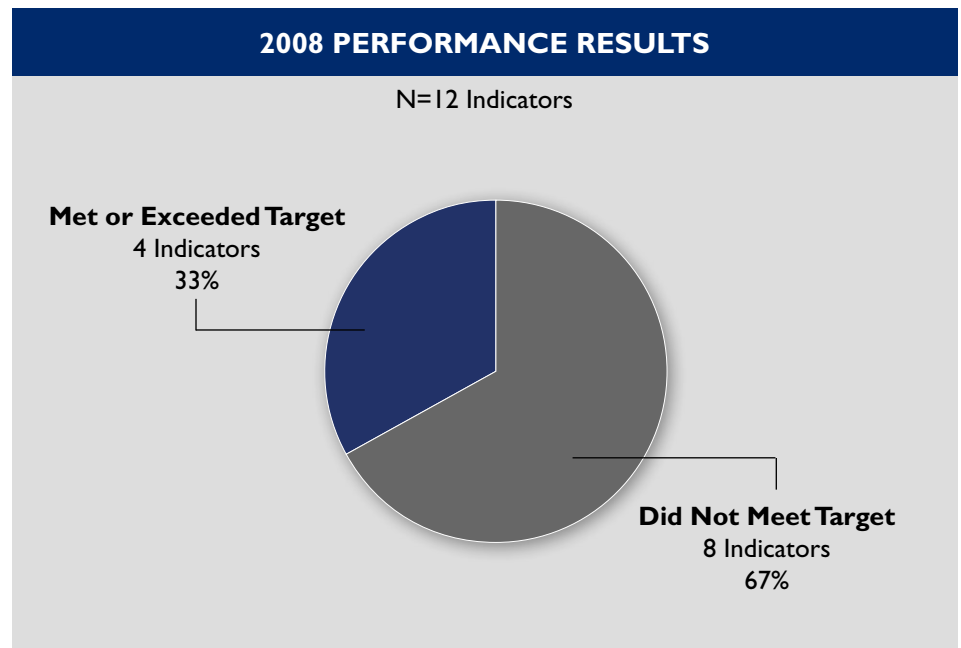
STRATEGIC GOAL ON PROMOTING ECONOMIC GROWTH AND PROSPERITY

PUBLIC BENEFIT

USAID promotes economic growth in accordance with the 2006 *National Security Strategy of the United States* and the goal of transformational diplomacy. Economic growth is vital to transforming the developing world and is essential for reducing and eventually eliminating extreme poverty, poor health, and inadequate education. Economic growth is the surest way for countries to generate the resources they need to address illiteracy, poor health, and other development challenges on their own and thus to cease dependence on foreign aid.

Economic growth in developing countries creates benefits for the United States as well. The developing world is emerging as the largest market for U.S. exports. Accelerating growth among developing countries that have already experienced moderate growth and encouraging it in those that have not grown as quickly will increase their contribution to global and U.S. well-being. Economic growth creates the prospect that more developing countries will become effective partners with the United States in working toward a more stable, healthy, and prosperous world.

The U.S. derives enormous benefits from a stable, resilient and growing world economy and continues to play a leadership role to promote economic growth and prosperity. The U.S Government's assistance to support private sector growth helps build people's capacity to take advantage of expanding economic freedom and promotes effective public-private partnerships. This cutting-edge blend of assistance programs aims for economic transformation that creates more jobs, higher productivity and wages, improved working conditions, more

2008 PERFORMANCE RESULTS

N=12 Indicators

Met or Exceeded Target
4 Indicators
33%

Did Not Meet Target
8 Indicators
67%

effective protection of labor rights, and more opportunities for the poor, women, and other disadvantaged groups to participate in expanding local, regional, and global markets.

The eight priority program areas within this strategic goal are: Macroeconomic Foundation for Growth; Trade and Investment; Financial Sector; Infrastructure; Agriculture; Private Sector Competitiveness; Economic Opportunity; and the Environment.

In FY 2008, USAID-managed resources for the Supporting Economic Growth and Prosperity strategic goal totaled over $2.6 billion, approximately 18.9% of the total Agency budget for the year. Twelve representative indicators illustrate USAID program performance for this goal, of which four met or exceeded the performance targets, and eight did not meet the targets. Some program results, such as those

pertaining to physical infrastructure, are achieved jointly by USAID and the Department of State.

In FY 2008, USAID conducted 117 evaluations, assessments, and special studies in this strategic goal, or 25.9% of the Agency's total. Of these, 40% were used to make programmatic decisions and 53% were used to identify best practices and analyze lessons learned. Thirty percent covered Afghanistan and were used to scale up program work on alternative development and livelihoods, and natural resources and biodiversity.

Budget and performance information for this strategic goal is presented below, with key performance measures described in detailed tables linked to the relevant priority program area. These measures illustrate USAID's progress in helping partner nations to achieve economic growth.

USAID-MANAGED RESOURCES FOR PROMOTING ECONOMIC GROWTH AND PROSPERITY
By Fiscal Year, Program Area, and Representative Performance Measure

	FY 2007 Actual	FY 2008 653(a) Final Base Plus Enacted Supplemental
TOTAL ($ thousands)	12,712,484[1,2]	13,965,426[1]
ECONOMIC GROWTH	2,926,607	2,640,464
Macroeconomic Foundation for Growth	589,466	330,529
Three-Year Average in the Fiscal Deficit as a Percent of Gross Domestic Product		
Trade and Investment	321,795	204,216
Time Necessary to Comply with all Procedures Required to Export/Import Goods		
Financial Sector	176,832	190,834
Credit to Private Sector as a Percent of Gross Domestic Product		
Infrastructure	720,251	870,935
Number of People with Increased Access to Modern Energy Services as a Result of U.S. Government Assistance		
Number of People with Access to Cellular Service as a Result of U.S. Government Assistance		
Number of People with Access to Internet Service as a Result of U.S. Government Assistance		
Number of People Benefiting from U.S. Government-Sponsored Transportation Infrastructure Projects		
Agriculture	432,932	337,723
Number of Rural Households Benefiting Directly from U.S. Government Interventions in Agriculture		
Percent Change in Value of International Exports of Targeted Agricultural Commodities Due to U.S. Government Assistance		
Private Sector Competitiveness	275,537	259,977
Number of Commercial Laws Put into Place with U.S. Government Assistance that Fall in the Eleven Core Legal Categories for a Healthy Business Environment		
Economic Opportunity	120,317	167,867
Percent of U.S. Government-Assisted Microfinance Institutions that Have Reached Operational Sustainability		
Environment	289,477	278,383
Quantity of Greenhouse Gas Emissions Reduced or Sequestered as a Result of U.S. Government Assistance		
Number of Hectares Under Improved Natural Resource or Biodiversity Management as a Result of U.S. Government Assistance		

1. Includes USAID Foreign Service Retirement and Disability Fund but only 60% of the Global HIV/AIDS Initiative account. Does not include Public Law 480 funds.

2. Does not include the Andean Counter-Drug Program funds or $110 million of Economic Support Fund transferred from the Department of Defense.

PROGRAM AREA: MACROECONOMIC FOUNDATION FOR GROWTH

Macroeconomic stability, especially sound fiscal policy, is essential for sustainable economic growth. The U.S. Government strengthens foundations for growth by establishing a stable and predictable macroeconomic environment that encourages the private sector to make productivity and growth-enhancing investments. A solid macroeconomic foundation for growth consists of stable fiscal and monetary policies and institutions and the ability of the government to use these tools to manage the economy. Countries with open, competitive economies tend on average to grow more rapidly, without necessarily sacrificing poverty reduction or income distribution goals. Those with higher debt are often forced into prioritizing budget expenditures, cutting spending on programs for those members of society whose voice is underrepresented, usually the poor.

USAID lends technical assistance to support the design and implementation of macroeconomic reforms in such areas as money and banking policy; fiscal policy; trade/exchange rate policy; and national income accounting, measurement, and analysis. To maintain a healthy macroeconomic environment and foundation for growth, countries must put in place a fiscal policy that balances maintaining stability and growth without sacrificing poverty reduction or income distribution goals. Using a deficit-to-gross domestic product (GDP) ratio is a common way to assess a nation's debt and fiscal policy. To monitor long-term performance in this area, USAID uses an indicator from the World Bank that assesses a country's debt and fiscal policy. The indicator is a three-year average for the fiscal deficit as a percent of GDP for the Bank's Low-Income Countries Group. Given the time needed to collect and compile the ratio, the most recent data available are for the period 2004–2006, when the ratio was 3.2%.

USAID-MANAGED RESOURCES	FY 2007 Actual	FY 2008 653(a) Final Base Plus Enacted Supplemental
ECONOMIC GROWTH ($ thousands)	2,926,607	2,640,464
Macroeconomic Foundation for Growth	**589,466**	**330,529**

PROGRAM AREA: TRADE AND INVESTMENT

The U.S. Government promotes increased trade and investment—a powerful engine for growth—both multilaterally and bilaterally. Trade and investment are the principal mechanisms through which the global market forces of competition, human resource development, technology transfer, and technological innovation generate growth in all countries. U.S. Government assistance includes critical support for negotiating and implementing trade agreements and helping citizens of developing countries participate in and benefit fully from expanded bilateral, regional, and global trade and investment opportunities.

The World Bank indicator (p. 42) assesses one measure of how easily a country is able to take advantage of opportunities created by trade. When procedures for exporting and importing goods take less time, businesses become more efficient and consequently increase their integration into the global economy. Developing countries in the 1990s that successfully integrated into the global economy enjoyed per capita income increases; those that limited their participation in the global economy saw their economies decline. Research has shown that countries can boost the ability of companies within their borders to compete effectively in trade if they promote efficient procedures that reduce the cost of doing business.

Thus, decreasing the amount of time needed to export and import goods leads to greater and more efficient, participation in the global economy. The data in the chart represent the aggregate average time in days it takes to comply with import and export procedures in seven countries receiving USAID assistance in this area; in FY 2008 USAID missed the target of 33 days by one day. The deteriorating security situation in Afghanistan, one of the target countries, increased its average time to export and import from 69 to 75.5 days, and thus had a disproportionate impact on the seven-country average. Had Afghanistan's score stayed constant, improvements in countries like Morocco, Egypt, and the Philippines would have been sufficient to meet this target.

The methodology for calculating the results for this indicator will be revised in the next planning cycle. Currently, the seven countries in the average are mostly located within Asia. The new methodology, drawing on new data sources to better measure trade competitiveness, will encompass more countries that are geographically more representative.

USAID-MANAGED RESOURCES	FY 2007 Actual	FY 2008 653(a) Final Base Plus Enacted Supplemental
ECONOMIC GROWTH ($ thousands)	2,926,607	2,640,464
Trade and Investment	**321,795**	**204,216**

STRATEGIC GOAL: ECONOMIC GROWTH

Program Area: Trade and Investment

Performance Indicator: Time Necessary to Comply with all Procedures Required to Export/Import Goods

FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Target	FY 2008 Results	FY2008 Rating	FY 2009 Preliminary Target[1]
89.9 days	36.6 days	34 days	33 days	34 days	Did Not Meet Target	28 days

Data Verification and Validation

Data Source: World Bank, *Doing Business Report* for Afghanistan, Egypt, Georgia, Jordan, Kazakhstan, Morocco, and the Philippines. The value is the average of the time to comply with export procedures (days) and the time to comply with import procedures (days). Global reporting of this data started in FY 2005. Countries selected for this indicator receive over $1 million in funds and have a specific Trade Facilitation focus.

Data Quality: World Development Indicators are one of the World Bank's annual compilations of data about development. Before publication, the data undergo a rigorous review and validation process by World Bank technical staff and country-level committees of statistical agencies. The USAID Economic Analysis and Data Service Project examine the data after public release and notify the World Bank if erroneous data are published.

Notes:
1. FY 2009 targets are set at a preliminary level and will be updated when the FY 2009 budget is appropriated.

PROGRAM AREA: FINANCIAL SECTOR

A sound financial system is critical to economic development: it provides both the resources needed to fund essential government services, such as education and healthcare, and the capital for productive private investment. USAID is committed to improving corporate governance, accounting, and financial transparency and to combating corruption and financial crimes. USAID also seeks to improve financial sector governance, the quality of financial services, and access to financial services for entrepreneurs, enterprises, and consumers.

Research shows not only that credit to the private sector is considered one of the keys to financial growth but that the poor get a bigger income boost from growth where private credit accounts for a larger share of GDP—poor people living in countries with a similar growth rate but where private credit accounts for a smaller share of

USAID-MANAGED RESOURCES	FY 2007 Actual	FY 2008 653(a) Final Base Plus Enacted Supplemental
ECONOMIC GROWTH ($ thousands)	2,926,607	2,640,464
Financial Sector	**176,832**	**190,834**

GDP stay poorer. Comparative analysis of average annual growth in poverty, credit to the private sector, and GDP over 20 years shows that countries with higher levels of private credit reduced poverty more rapidly. Private credit raises the amount of money available to all entrepreneurs, which in turn increases economic activity, generating more job opportunities and higher incomes for the poor. By seeking to increase the amount of credit as a percent of GDP, USAID programs are thus spurring overall economic growth in a manner that is more effective in alleviating poverty.

The next indicator (p. 43, top) illustrates the progress in this area of USAID-assisted countries worldwide. The FY 2008 result fell short of its target. The world wide recession may have begun earlier in developing countries, reducing lending to the private sector as the aggregate financial system became more risk-averse and increasing the risk premium for lending to the private sector.

STRATEGIC GOAL: ECONOMIC GROWTH

Program Area: Financial Sector

Performance Indicator: Credit to Private Sector as a Percent of Gross Domestic Product (GDP)

FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Target	FY 2008 Results	FY2008 Rating	FY 2009 Preliminary Target[1]
54.9%	54.4%	57.7%	58.5%	55.3%	Did Not Meet Target	59.0%

Data Verification and Validation

Data Source: World Bank, World Development Indicators. The 2007 World Bank results are based on FY 2006 data. Data refers to the weighted average for the countries defined by the World Bank as low and middle income countries.

Data Quality: World Development Indicators are one of the World Bank's annual compilations of data about development. Before publication, the data undergo a rigorous review and validation process by World Bank technical staff and country-level committees of statistical agencies. The USAID Economic Analysis and Data Service Project examines the data after public release and notifies the World Bank if erroneous data are published.

Notes:
1. FY 2009 targets are set at a preliminary level and will be updated when the FY 2009 budget is appropriated.

PROGRAM AREA: INFRASTRUCTURE

Access to competitively priced and modern energy, communication, and transport services is critical to economic growth. USAID supports the creation, improvement, and sustainability of physical infrastructure and related services, in both urban and rural areas, to enhance the economic environment and improve productivity, especially for women. USAID promotes sustainable improvements in the governance of infrastructure by utilizing opportunities for public-private partnerships, strengthening capacities for oversight and management, expanding markets for tradable infrastructure services, and promoting clean energy. Countries that are rich in energy resources but also have efficient markets are more likely to foster transparency, strengthen the rule of law, and ensure that subsequent benefits are widely enjoyed. Such market conditions help countries avoid the so-called "paradox of plenty," where dependence on natural resource wealth works to inhibit a country's political and economic development.

The main infrastructure consists of energy, telecom, and transport, including roads, airports, railways, and ports. Rural telecommunications and Internet services have not penetrated much of the developing world, limiting access to information on markets, costs, and prices; technological innovation and resources; health advice; and political awareness. Thus, access to modern technology and infrastructure services is critical to economic growth, trade, and human development. The indicators (p. 44) illustrate performance in 13 U.S. Government-assisted countries on access to modern energy, cellular, and Internet services and on transportation infrastructure projects. In FY 2008 USAID did not meet its targets due to delays in program start-ups and significant spikes in the prices of oil and other energy products that put pressure on developing country budgets. The results compound a situation where many developing and transition countries lack basic physical infrastructure for generating and distributing energy, transport, and information and communications technologies.

USAID-MANAGED RESOURCES	FY 2007 Actual	FY 2008 653(a) Final Base Plus Enacted Supplemental
ECONOMIC GROWTH ($ thousands)	2,926,607	2,640,464
Infrastructure	**720,251**	**870,935**

STRATEGIC GOAL: ECONOMIC GROWTH

Program Area: Infrastructure

Performance Indicator: Number of People with Increased Access to Modern Energy and Infrastructure Services as a Result of U.S. Government Assistance

Energy and Infrastructure Services	FY 2005-2006 Results	FY 2007 Results	FY 2008 Target	FY 2008 Results	FY2008 Rating	FY 2009 Preliminary Target[2]
Modern Energy Services	N/A[1]	1.87M	436,280	371,409	Did Not Meet Target	450,000
Cellular Service		4.8M	5.7M	1.89M		2.0M
Internet Service		6.55M	6.68M	1.50M		2.0M
Transportation Infrastructure Projects		1.77M	459,467	68,758		100,000

Data Verification and Validation

Data Source: FY 2008 Performance Reports as captured in the U.S. Government Foreign Assistance Coordination and Tracking System (FACTS): Modern energy services – Armenia; Bangladesh, Brazil; Dominican Republic; Georgia; Liberia; Philippines; South Africa; Sudan, EGAT, and South Asia Regional. Access to cellular service – Africa Regional; EGAT. Access to internet services – Armenia; Philippines; Africa Regional; EGAT. Transportation infrastructure projects – Madagascar; Philippines.

Data Quality: Performance data, verified using data quality assessments (DQAs), must meet standards of validity, integrity, precision, reliability, and timeliness. Each operating unit must document the methodology used for conducting the DQAs. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf, p. 20–23).

Notes:
1. FY 2007 was the first reporting cycle under the new Foreign Assistance Framework. A full cycle of performance data for indicators under the framework, including past year results, is therefore available in 2008.
2. FY 2009 targets are set at a preliminary level and will be updated when the FY 2009 budget is appropriated.

PROGRAM AREA: AGRICULTURE

In many developing countries, increased productivity and growth in the agricultural sector is critical to overall economic prosperity and poverty reduction. Agriculture is the science and practice of food, feed, and fiber production (including forestry, wildlife, fisheries, aquaculture, and floraculture) and its relationship to natural resources, processing, marketing, distribution, utilization (including nutrition), and trade. In this sector, USAID promotes expanded agricultural trade and market systems; broadened application of scientific and technological advances, including biotechnology; and sustainable natural resource management. Increased agricultural productivity is an important goal for nearly all the countries in which the U.S. Government provides assistance. The indicator assesses program

performance of agricultural interventions in 30 U.S. Government-assisted countries.

The majority of people living in developing countries rely on agriculture for their livelihood. Rural farmers have opportunities to increase their share of domestic, regional, or international markets through the new opportunities provided by globalization, but to become competitive they need to be integrated into the chain of production, from the farm to the grocer's shelf. To bring about this integration, USAID is working to

develop product standards and quality controls, improve infrastructure, and increase access to market information. This indicator (p. 45, bottom) tracks equitable access to services in such targeted areas. In FY 2008 USAID significantly exceeded its target of 2.15 million rural household benefiting directly from its interventions in agriculture through activities that include promoting best practices and innovation, from cutting-edge biotechnology to technology uptake by farmers. For example, by promoting technology and policy adoption through

USAID-MANAGED RESOURCES	FY 2007 Actual	FY 2008 653(a) Final Base Plus Enacted Supplemental
ECONOMIC GROWTH ($ thousands)	2,926,607	2,640,464
Agriculture	**432,932**	**337,723**

ECONOMIC OPTIONS FOR DISPLACED FAMILIES

Julio Contreras is general manager of *Alimentos Aliprocar*, a successful sausage processing plant in Cartagena, Colombia. He used to be a farmer but illegally armed drug groups forced him to leave his home. Life was bleak until Julio heard about a USAID-funded program that provides social and economic assistance to individuals displaced by drug-fueled violence. After enrolling in the program Julio received psychological counseling and met other individuals confronting similar challenges—both of which helped him come to terms with the changes in his life. Through the program Julio developed a *plan de vida*—a roadmap for his new life. To implement the plan, he and his displaced friends received business skills training and small loans to form a cooperative to make sausages in their community. Contributing to the indicator on the percent of U.S. Government microfinance institutions that have reached operational sustainability, these loans proved successful. The sausage business now generates more than 100 jobs directly and indirectly. "In the cooperative everybody earns a basic wage and we are paying social security for all the employees," said Julio. He is optimistic that he can help other people who find themselves in the same situation he was in just a few years ago.

fruit and vegetable growers and greenhouse operators increased their average sales by 10% and reduced post-harvest losses from 15% to 8%.

Nine USAID operating units that were not part of the original FY 2008 target universe submitted FY 2008 results for this indicator, directly benefiting another 105,000 rural households from USAID interventions in agriculture.

Not only does USAID work with farmers individually but USAID agricultural assistance also extends to lowering barriers to trade between countries. The indicator (p. 46) measures a key objective of the program area: linking producers of agricultural commodities to markets. In FY 2008, USAID exceeded it target of increasing the percent change in value of international exports of targeted agricultural commodities by 63.3%, far above the target of 37.8%. Increased agricultural trade is one result of efficient markets and of integration into global markets. By becoming participants in the global economy, farmers in developing countries will be able to raise their incomes and in the long run achieve food security for their families. Measuring the increase in value of exports after receipt of USAID

the John Ogonowski Farmer-to-Farmer Program, the sustainability of Central Asian small and medium-sized agribusinesses

producing dairy, beef, poultry, swine, horticulture, and field crop products was increased. In Kyrgyzstan more than 2,500

STRATEGIC GOAL: ECONOMIC GROWTH

Program Area: Agriculture

Performance Indicator: Number of Rural Households Benefiting Directly from U.S. Government Interventions in Agriculture

FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Target	FY 2008 Results	FY2008 Rating	FY 2009 Preliminary Target[1]
N/A[1]		1.88M	2.15M	3.42M	Met or Exceeded Target	2.2M

Data Verification and Validation

Data Source: FY 2008 Performance Reports from Bangladesh, Bolivia, Democratic Republic of the Congo, El Salvador, Georgia, Ghana, Guatemala, Guyana, Haiti, Honduras, Kenya, Kyrgyz Republic, Lebanon, Liberia, Madagascar, Malawi, Mali, Morocco, Nepal, Pakistan, Rwanda, Tanzania, Timor-Leste, Turkmenistan, Uganda, Yemen, Zambia, Bureau of Economic Growth, Agriculture, and Trade (EGAT), and West Africa Regional, as reported in the Foreign Assistance Coordination and Tracking System (FACTS).

Data Quality: Performance data, verified using data quality assessments (DQAs), must meet standards of validity, integrity, precision, reliability, and timeliness. Each operating unit must document the methodology used for conducting the DQAs. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf, p. 20–23).

Notes:
1. FY 2007 was the first reporting cycle under the new Foreign Assistance Framework. A full cycle of performance data for indicators under the framework, including past year results, is therefore available in 2008.
2. FY 2009 targets are set at a preliminary level and will be updated when the FY 2009 budget is appropriated.

STRATEGIC GOAL: ECONOMIC GROWTH

Program Area: Agriculture

Performance Indicator: Percent Change in Value of International Exports of Targeted Agricultural Commodities Due to U.S. Government Assistance

FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Target	FY 2008 Results	FY2008 Rating	FY 2009 Preliminary Target[1]
N/A[1]		41.1%	37.8%	63.3%	Met or Exceeded Target	42.0%

Data Verification and Validation

Data Source: FY 2008 Performance Reports from Bolivia, Georgia, Guatemala, Haiti, Rwanda, Senegal, Serbia, Tanzania, Uganda, and Zambia, as reported in the Foreign Assistance Coordination and Tracking System (FACTS).

Data Quality: Performance data, verified using data quality assessments (DQAs), must meet standards of validity, integrity, precision, reliability, and timeliness. Each operating unit must document the methodology used for conducting the DQAs. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf, p. 20–23).

Notes:
1. FY 2007 was the first reporting cycle under the new Foreign Assistance Framework. A full cycle of performance data for indicators under the framework, including past year results, is therefore available in 2008.
2. FY 2009 targets are set at a preliminary level and will be updated when the FY 2009 budget is appropriated.

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assistance provides insight into the impact programs have on connecting agricultural producers and communities to broader markets.

PROGRAM AREA: PRIVATE SECTOR COMPETITIVENESS

U.S. Government support to the private sector helps build people's capacity to take advantage of expanding economic freedom and promotes effective public-private partnerships. This cutting-edge blend of diplomacy and development aims for economic transformation that creates more jobs, higher productivity and wages, better working conditions, more effective protection of labor rights, and more opportunities for the poor, women, and other disadvantaged groups to participate in expanding local, regional, and global markets. One approach to achieving this goal is to help

countries improve policies, laws, regulations, and administrative practices that affect the private sector's ability to compete nationally and internationally. USAID activities in this area include not only support for adoption and implementation of policies but also their oversight by elected officials, NGOs, and the private sector.

The indicator (p.47) for this area reflects U.S. efforts to help put such laws in place and thus streamline business regulation and implement other steps to improve commercial governance. Programs are established to make the environment more business-enabling by putting into place commercial laws that address any of 11 core legal areas established by USAID as necessary for a healthy business climate. A country's ability to demonstrate improvements in any of them indicates that systemic changes are underway to build up the private sector. The data represent the

number of laws enacted annually within the group of countries receiving U.S. assistance. In FY 2008 USAID did not meet its target for this indicator.

PROGRAM AREA: ECONOMIC OPPORTUNITY

Economic opportunity includes efforts to help families gain access to financial services, build inclusive financial markets, improve the policy environment for micro and small enterprises, make microfinance institutions (MFIs) more productive, and improve economic law and property rights. USAID targets its activities to helping poor households, especially female-headed households because they are often the most disadvantaged, to access the economic opportunities created by growth. USAID activities include efforts to enhance the current income-generating prospects of poor households and to ensure that these households can accumulate and protect productive assets.

USAID-MANAGED RESOURCES	FY 2007 Actual	FY 2008 653(a) Final Base Plus Enacted Supplemental
ECONOMIC GROWTH ($ thousands)	2,926,607	2,640,464
Private Sector Competitiveness	**275,537**	**259,977**

STRATEGIC GOAL: ECONOMIC GROWTH

Program Area: Private Sector Competitiveness

Performance Indicator: Number of Commercial Laws Put into Place with U.S. Government Assistance that Fall in the Eleven Core Legal Categories for a Healthy Business Environment

FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Target	FY 2008 Results	FY2008 Rating	FY 2009 Preliminary Target[2]
N/A[1]		41	47	30	Did Not Meet Target	35

Data Verification and Validation

Data Source: FY 2008 Performance Reports from Armenia, Azerbaijan, Egypt, Georgia, Indonesia, Kosovo, Macedonia, Montenegro, Nicaragua, Pakistan, Senegal, South Africa, and Caribbean Regional as reported in the Foreign Assistance Coordination and Tracking System (FACTS).

Eleven Legal Categories:

1. Company Law	4. Mortgage Law	8. Commercial Dispute Resolution
2. Contract Law & Enforcement	5. Secured Transactions Law	9. Foreign Direct Investment
3. Real Property	6. Bankruptcy Law	10. Corporate Governance
	7. Competition Policy	11. International Trade Law

Data Quality: Performance data, verified using data quality assessments (DQAs), must meet standards of validity, integrity, precision, reliability, and timeliness. Each operating unit must document the methodology used for conducting the DQAs. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf, p. 20–23).

Notes:
1. FY 2007 was the first reporting cycle under the new Foreign Assistance Framework. A full cycle of performance data for indicators under the framework, including past year results, is therefore available in 2008.
2. FY 2009 targets are set at a preliminary level and will be updated when the FY 2009 budget is appropriated.

MFIs provide access to financial services to those who would otherwise not have such access. The performance indicator reflects the share of USAID-assisted MFIs whose revenue from clients, including interest payments and fees, exceeds their cash operating costs, which include personnel and other administrative costs, depreciation of fixed assets, and loan losses. Operational sustainability is an important milestone on the road to financial sustainability, at which point the MFI becomes profitable and can finance its own growth without need for donor funding. The indicator (p. 48, top) captures the average for a mix of MFIs ranging from new to more mature institutions as they progress toward operational sustainability. Operational sustainability occurs within three to four years of initial USAID assistance; financial sustainability occurs within seven years. For this reason, and because the MFIs reporting change from year to year, the indicator's results are not expected to show a significant upward trend. However, the FY 2008 result—74% of USAID-assisted MFIs reached operational sustainability—exceeded the target of 70%.

USAID-MANAGED RESOURCES	FY 2007 Actual	FY 2008 653(a) Final Base Plus Enacted Supplemental
ECONOMIC GROWTH ($ thousands)	2,926,607	2,640,464
Economic Opportunity	**120,317**	**167,867**

STRATEGIC GOAL: ECONOMIC GROWTH

Program Area: Economic Opportunity

Performance Indicator: Percent of U.S. Government-Assisted Microfinance Institutions that Have Reached Operational Sustainability

FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Target	FY 2008 Results	FY2008 Rating	FY 2009 Preliminary Target[1]
71%	71%	69%	70%	74%	Met or Exceeded Target	70%

Data Verification and Validation

Data Source: USAID Microenterprise Results Reporting Annual Report to Congress, FY 2007 and earlier editions. The indicator is the number of MFIs reporting either operational or financial sustainability, divided by the total number of U.S. Government-supported MFIs, expressed in percent. The FY 2007 value represents 143 operationally sustainable MFIs out of a total of 206 U.S. Government-supported MFIs. Of this total, 202 MFIs operated in 46 countries, two on a regional basis in Asia, and two on a worldwide basis

The indicator value shown for FY 2008 is based on the most recent data available, covering MFI operations in FY 2007. The one-year lag in data availability results from the reporting process, which first gathers data from USAID operating units on their funding for each MFI in the last fiscal year, and then gathers results data directly from those MFIs, based on their most recently completed fiscal year.

Data Quality: Performance data, verified using data quality assessments (DQAs), must meet standards of validity, integrity, precision, reliability, and timeliness. Each operating unit must document the methodology used for conducting the DQAs. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf, p. 20–23).

Notes:
1. FY 2009 targets are set at a preliminary level and will be updated when the FY 2009 budget is appropriated.

Credit: Unknown

Road rehabilitation in Afghanistan makes goods and services more accessible to families and businesses, and allows local producers to sell to wider markets.

PROGRAM AREA: ENVIRONMENT

Environmental issues like climate change, protection of natural resources and forests, and transboundary pollution will continue to be critical to the U.S. diplomatic and development agendas. USAID is committed to promoting partnerships for economic development that reduce greenhouse gas emissions, improve air quality, and create other benefits by using and building markets to improve energy efficiency, enhance conservation and biodiversity, and expand low-carbon energy sources.

The U.S. Government has funded environmental programs that have reduced growth in greenhouse gas emissions while promoting energy efficiency, forest conservation, biodiversity, and other development goals. This multiple benefits approach to climate change helps developing and transition countries to grow economically without sacrificing environmental protection. The indicator for this area (p. 49, bottom), a standard measure of climate mitigation, helps assess U.S. Government climate change activities in more than 40 developing and transition countries.

In FY 2008 USAID actions resulted in significant emissions reductions and sequestration of greenhouse gases, primarily by reducing deforestation and forest degradation. These actions help developing countries fulfill their commitments to help mitigate climate change and build capacity for them to continue doing so. Local communities and biodiversity also benefited from these actions because USAID always seeks development and conservation co-benefits in its climate change actions. The emission reductions are also a result of actions in energy and industrial sectors that make economic operations more efficient as well as reducing other pollutants.

The results for this indicator, as currently calculated, did not meet the target for FY 2008 because data quality and completeness checks are still in process. USAID anticipates that once it has finished its data review, the results for FY 2008 will have met or exceeded the target. Over the next year, USAID will continue to reinforce its ability to accurately estimate its contributions to greenhouse gas reduction by rolling out a suite of web-based carbon calculators for forestry, agriculture, and energy projects.

Ecosystems worldwide are becoming impoverished at an alarming rate, threatening to undermine development by reducing soil productivity, diminishing resilience to climate change, and driving species to extinction. Yet a productive and healthy environment is the foundation of economic growth, especially in developing countries where people's livelihoods are often dependent on rangelands, forests, fisheries, and wildlife. USAID uses a spatial indicator (p. 50) as a measure of the scale of impact of natural resource and biodiversity interventions. The standard of "improved" management is defined by implementation of best practices and approaches and demonstrates progress and results using a potentially wide range of tailored interventions.

In FY 2008 126 million hectares were under improved natural resource or biodiversity management as a result of USAID assistance, exceeding the target of 113 million. Among the reasons for exceeding the target are improved enabling environments and increased concern for habitat protection. For example, the USAID Regional Development Mission in Asia significantly exceeded its target primarily due to greater than expected participation of timber concessions in response to a better enabling environment and supportive international policy changes. Indonesia's Environmental Services Program exceeded its target due to increased concern in government agencies, NGOs, community groups, and the private sector for better natural resources management, especially through critical land rehabilitation.

Five operating units that were not part of the original FY 2008 target universe submitted FY 2008 results for this indicator, increasing the overall achievement by another 500,000 hectares.

USAID-MANAGED RESOURCES	FY 2007 Actual	FY 2008 653(a) Final Base Plus Enacted Supplemental
ECONOMIC GROWTH ($ thousands)	2,926,607	2,640,464
Environment	**289,477**	**278,383**

STRATEGIC GOAL: ECONOMIC GROWTH

Program Area: Environment

Performance Indicator: Quantity of Greenhouse Gas Emissions Reduced or Sequestered as a Result of U.S. Government Assistance

FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Target	FY 2008 Results	FY2008 Rating	FY 2009 Preliminary Target[1]
117M metric tons	129M metric tons	180M metric tons	149M metric tons	142M metric tons (estimate)	Did Not Meet Target	159M metric tons

Data Verification and Validation

Data Source: USAID Office of Global Climate Change (GCC). Data are collected through USAID's annual Online GCC reporting process and represent a best estimate of greenhouse gas emissions. As of this writing, the collection and quality control process was not complete, resulting in under-reporting of results in FY 2008. Over the next year USAID is rolling out web-based calculators that will improve the accuracy, completeness, and comparability of the estimated value of this indicator.

Data Quality: Greenhouse gas emissions reduced or sequestered as measured in carbon dioxide ($CO2$) equivalent is the standard measure of climate mitigation used throughout the world. It is a common metric that allows comparison between many different types of activities and sectors, and can be added up to show program-wide impacts. This indicator combines the $CO2$ equivalent for energy/industry/transport sector with the land use/agriculture/ forestry/conservation sector. More disaggregated estimation tools will be available in FY 2008.

Notes:
1. FY 2009 targets are set at a preliminary level and will be updated when the FY 2009 budget is appropriated.

STRATEGIC GOAL: ECONOMIC GROWTH

Program Area: Environment

Performance Indicator: Number of Hectares Under Improved Natural Resource or Biodiversity Management as a Result of U.S. Government Assistance

FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Target	FY 2008 Results	FY2008 Rating	FY 2009 Preliminary Target[2]
N/A[1]		121.6M hectares	113M hectares	126M hectares	Met or Exceeded Target	150M hectares

Data Verification and Validation

Data Source: FY 2008 Performance Reports from Bangladesh, Bolivia, Brazil, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Indonesia, Jamaica, Kenya, Liberia, Madagascar, Malawi, Mexico, Namibia, Nicaragua, Panama, Paraguay, Peru, Philippines, Senegal, Tanzania, Uganda, Africa Regional, Caribbean Regional, Central Africa Regional, Central America Regional, Bureau of Economic Growth, Agriculture, and Trade (EGAT), Latin America and Caribbean Regional, Regional Development Mission – Asia, and West Africa Regional, as reported in the Foreign Assistance Coordination and Tracking System (FACTS).

Data Quality: Performance data, verified using Data Quality Assessments (DQAs), must meet five data quality standards of validity, integrity, precision, reliability, and timeliness. Each operating unit must document the methodology used for conducting the DQAs. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf, p. 20–23).

Notes:
1. FY 2007 was the first reporting cycle under the new Foreign Assistance Framework. A full cycle of performance data for indicators under the framework, including past year results, is therefore available in 2008.
2. FY 2009 targets are set at a preliminary level and will be updated when the FY 2009 budget is appropriated.

STRATEGIC GOAL ON PROVIDING HUMANITARIAN ASSISTANCE

PUBLIC BENEFIT

The U.S. Government's commitment to humanitarian assistance demonstrates America's compassion for victims of natural disasters, armed conflict, forced migration, persecution, human rights violations, widespread food insecurity, and other threats. Providing humanitarian assistance requires immediate responses to rapid-onset emergencies, concerted efforts to address hunger and protracted crises, and the ability to build capacity to mitigate and prevent the effects of conflict and disasters.

The U.S. Government's emergency response to population displacement and distress caused by natural and human-made disasters is tightly linked to all other foreign assistance goals, including the protection of civilian populations, programs to strengthen support for human rights, provision of health and basic education, and support for livelihoods of beneficiaries. The United States provides substantial resources and guidance for humanitarian programs worldwide through international and nongovernmental organizations, with the objective of saving lives and minimizing suffering during crises, increasing access to protection, promoting responsibility-sharing, and coordinating funding and implementation strategies.

The goal of humanitarian assistance is to save lives, alleviate suffering, and minimize the economic costs of conflict, disasters, and displacement. Humanitarian assistance is provided on the basis of need according to principles of universality, impartiality, and human dignity. It is often organized by sectors but requires an integrated, coordinated, or multisectoral approach to be fully effective. Emergency operations will foster the transition from relief through recovery

to development, but they cannot replace the investments necessary to reduce chronic poverty or establish just social services. The two priority program areas within this strategic goal are Providing Protection, Assistance, and Solutions; and Disaster Readiness. Specific priorities include addressing continuing acute needs in Burma, Chad, Colombia, Darfur, Iraq, Somalia, and the West Bank/Gaza.
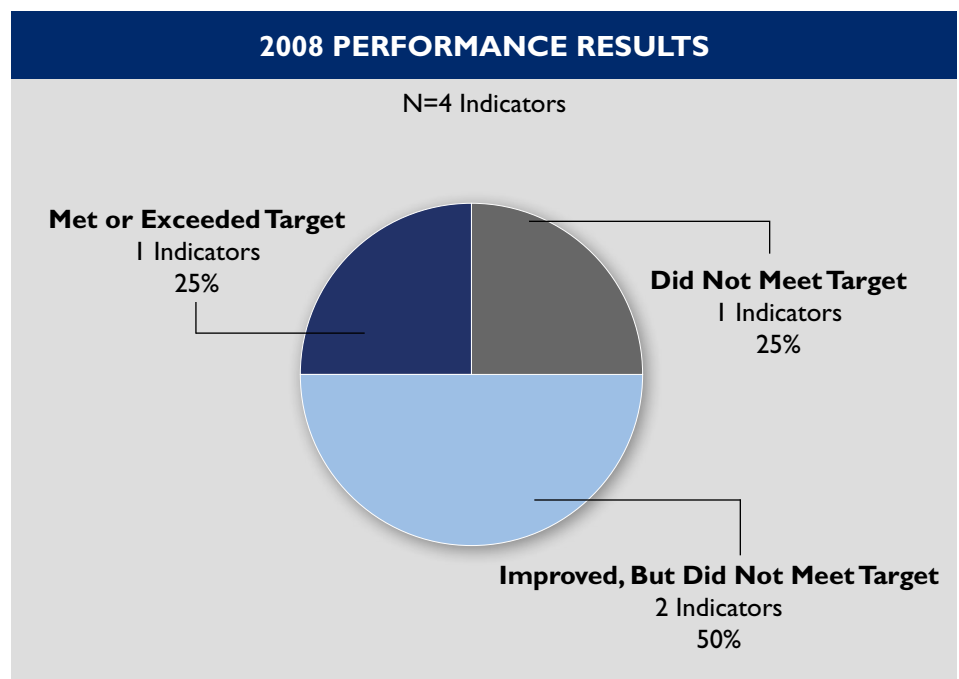
STRATEGIC GOAL PERFORMANCE

In FY 2008, USAID-managed resources for programs supporting the Humanitarian Assistance strategic goal totaled $927 million, 6.6% of the total Agency budget. Four representative indicators illustrate USAID program performance for this goal,

of which one exceeded the performance target, two improved performance over the prior year but did not meet the targets, and one did not meet the target.

In FY 2008, USAID conducted three evaluations, assessments, and special studies in this strategic goal.

Budget and performance information for this strategic goal is presented below, with performance measures described in detailed tables linked to program areas. These measures illustrate USAID effectiveness in responding to natural disasters and complex emergencies.

2008 PERFORMANCE RESULTS

N=4 Indicators

Met or Exceeded Target
1 Indicators
25%

Did Not Meet Target
1 Indicators
25%

Improved, But Did Not Meet Target
2 Indicators
50%

USAID-MANAGED RESOURCES FOR PROVIDING HUMANITARIAN ASSISTANCE
By Fiscal Year, Program Area, and Representative Performance Measure

	FY 2007 Actual	FY 2008 653(a) Final Base Plus Enacted Supplemental
TOTAL ($ thousands)	12,712,484[1,2]	13,965,426[1]
HUMANITARIAN ASSISTANCE	673,860	927,376
Protection, Assistance, and Solutions	603,868	817,622
Percent of Monitored Sites with Dispersed Populations (Internally Displaced Persons, Victims of Conflict) Worldwide with Less than 10% Global Acute Malnutrition (GAM) Rate		
Percent of Targeted Beneficiaries Assisted by Protection and Solution Activities Funded by USAID's Office of U.S. Foreign Disaster Assistance		
Percent of Planned Emergency Food Aid Beneficiaries Reached by USAID's Food for Peace Programs		
Percent of Targeted Disaster-Affected Households Provided with Basic Inputs for Survival, Recovery, or Restoration of Productive Capacity		
Disaster Readiness	69,992	109,754

1. Includes USAID Foreign Service Retirement and Disability Fund but only 60% of the Global HIV/AIDS Initiative account. Does not include Public Law 480 funds.

2. Does not include the Andean Counter-Drug Program funds or $110 million of Economic Support Funds transferred from the Department of Defense.

PROGRAM AREA: PROVIDE PROTECTION, ASSISTANCE, AND SOLUTIONS

The purpose of U.S. Government assistance in this program area is to provide life-saving disaster relief, including protection, food aid, and other humanitarian assistance, to people affected by natural disasters and complex human-made crises. Activities include distributing food and other relief supplies to affected populations; providing health services, including feeding centers; and providing clean water and shelter materials. If the scope of the disaster merits, USAID dispatches Disaster Assistance Response Teams to affected countries to conduct on-the-ground assessments, provide technical assistance, and oversee provision of commodities and services. Where displaced populations require support for many years, humanitarian assistance is used to support livelihoods and other efforts to make populations as self-supporting as possible.

USAID-MANAGED RESOURCES	FY 2007 Actual	FY 2008 653(a) Final Base Plus Enacted Supplemental
HUMANITARIAN ASSISTANCE ($ thousands)	673,860	927,376
Protection, Assistance, and Solutions	**603,868**	**817,622**

Nutritional status is a key indicator for assessing the severity of a humanitarian crisis. The following performance measure (p. 53, top) highlights the percent of USAID-monitored sites with dispersed populations (internally displaced and victims of conflict) with less than a 10% global acute malnutrition (GAM) rate. The GAM rate is used to measure the nutritional status of vulnerable populations, which is affected not only by food aid, but also by non-food assistance, such as water and sanitation, primary health care, shelter, and support to livelihoods. An internationally accepted indicator, the GAM rate reflects the extent to which the U.S. Government is meeting the minimum requirements of care for beneficiaries of humanitarian assistance. Given the difficulties inherent in assisting dispersed populations, targets and results for this indicator are lower than they would be in a more controlled environment, such as a camp setting.

In FY 2008 the result for this indicator, 34%, fell short of the 50% target. In the majority of USAID-monitored sites, however, the GAM rate improved or remained stable. The impact of the decline for this indicator should therefore be minimal. A major contributor to the shortfall is that from 2000 through 2006 Sudan had an average 16% GAM rate across the country, according to the UNICEF statistics. Therefore, achieving a GAM rate of below 10% in Sudan would require beating the country GAM average in its most vulnerable communities, which would be highly improbable. In the Sahel, increased malnutrition coincided with local drought conditions exacerbated by an increase in food prices.

Given the immense numbers of children under the age of five who are malnourished, performance improvement requires increased resources and capacities from international and local partners. Improvement requires better security for humanitarian workers and beneficiaries to increase access to assistance, particularly in Darfur, Pakistan, Somalia, and Sudan. Moreover, improved household income and livelihoods and greater reach of nutrition programs can be achieved only through the active involvement of local authorities.

STRATEGIC GOAL: HUMANITARIAN ASSISTANCE

Program Area: Protection, Assistance, and Solutions

Performance Indicator: Percent of USAID-Monitored Sites with Dispersed Populations (Internally Displaced Persons, Victims of Conflict) Worldwide with Less than 10% Global Acute Malnutrition (GAM) Rate

FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Target	FY 2008 Results	FY2008 Rating	FY 2009 Preliminary Target[1]
20%	23%	41%	50%	34%	Did Not Meet Target	55%

Data Verification and Validation

Data Source: Data were compiled and analyzed by the United Nations Standing Committee on Nutrition (UN SCN), Nutrition Information in Crisis Situations (NICS) from all sources, including the Complex Emergencies Database (CE-DAT), United Nations High Commissioner for Refugees (UNHCR), World Food Program, World Health Organization, other international and nongovernmental organizations, as well as the U.S. Centers for Disease Control and Prevention. Of the sites monitored in FY 2008, 80% were in Somalia, Sudan, Democratic Republic of Congo, and Ethiopia. These countries also suffer from the highest overall rates of violence, baseline malnutrition, internal displacement, and insecurity.

Data Quality: Nutrition data were taken from surveys, which used a probabilistic sampling methodology that complies with agreed international standards (i.e., WHO, Standardized Monitoring and Assessment of Relief and Transition [SMART] Methodology, and Médécins sans Frontieres). The data were taken from surveys that assessed children aged 6 to 59 months who were 65 to 110 centimeters tall.

Notes:
1. FY 2009 targets are set at a preliminary level and will be updated when the FY 2009 budget is appropriated.

From the broadest perspective, all humanitarian assistance has a protection component. Efforts to protect vulnerable populations derived from international refugee, human rights, and humanitarian laws include activities to help internally displaced persons and similarly vulnerable populations to reduce or manage risks associated with armed conflict and other violence, persecution, family separation, unlawful recruitment of child soldiers, discrimination, abuse, and exploitation.

USAID incorporates protection considerations into the design, implementation, and evaluation of assistance programs wherever possible. This second representative indicator (p. 54, top) highlights USAID's performance in supporting protection and solution activities. It reflects the gross number of beneficiaries who have benefited from USAID protection activities.

There is a growing acknowledgement within the international community that material assistance alone cannot ensure the well-being of at-risk communities. USAID therefore designs its efforts to emphasize protection across all levels of relief planning and implementation. Examples include advocacy training and the provision of child-friendly spaces, women's centers,

psychosocial activities, family reunification and child-tracing programs, and initiatives that combat sexual and gender-based violence. Tracking whether candidates eligible for these programs receive such support during a humanitarian crisis is a key indicator of whether the goals of protection, assistance, and solutions are being met.

In FY 2008 USAID improved its performance over FY 2007, reaching 77% of beneficiaries assisted by protection and solution activities though falling short of the 80% target. The major reason for the shortfall was that beneficiaries lacked access to protection, assistance, and solutions programs, particularly in Afghanistan, Sri Lanka, and Sudan. Plans to improve

performance include increasing cooperation with international partners to encourage government authorities to give better access for humanitarian assistance.

By prioritizing emergency food aid to reach those most vulnerable, USAID is meeting its mission of saving lives, reducing hunger, and providing a long-term framework through which to protect lives and livelihoods. The emergency food aid indicator, (p. 54, bottom) which is also tracked by the Program Assessment Rating Tool, demonstrates the effectiveness of USAID programs by measuring the percentage of beneficiaries they reach. Emergency food aid provided by USAID reached more than 25 million people in FY 2008, 92% of

VOICES FROM THE FIELD

STORM RELIEF

To date, USAID has provided more than $28 million for emergency relief commodities and programs to mitigate the impact of Cyclone Nargis in Burma. USAID commodities such as hygiene kits, plastic sheeting, mosquito nets, water containers, water treatment units, Zodiac boats, and water storage bladders benefited at least 445,000 individuals. USAID also provided $29 million worth of humanitarian assistance in response to hurricanes in Haiti; in September 2008 alone, USAID air-lifted deliveries of emergency relief supplies to Port-au-Prince that benefited more than 200,000 people.

STRATEGIC GOAL: HUMANITARIAN ASSISTANCE

Program Area: Protection, Assistance, and Solutions

Performance Indicator: Percent of Targeted Beneficiaries Assisted by Protection and Solution Activities Funded by USAID's Office of U.S. Foreign Disaster Assistance

FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Target	FY 2008 Results	FY2008 Rating	FY 2009 Preliminary Target[2]
N/A[1]		70%	80%	77%	Improved, but Did Not Meet Target	90%

Data Verification and Validation

Data Source: USAID's Office of U.S. Foreign Disaster Assistance (OFDA) Annual Reports, monitoring systems, and implementing partner reporting based on individual response settings.

Data Quality: This indicator is reviewed by OFDA's internal systems for measurement and response and coordinated by individual Regional Teams and OFDA's Technical Advisory Group. The result was determined by polling individual Cognizant Technical Officers on their portfolios and averaging the results across all OFDA-funded programs.

Notes:
1. This is a new indicator and has only been measured since FY 2007.
2. FY 2009 targets are set at a preliminary level and will be updated when the FY 2009 budget is appropriated.

STRATEGIC GOAL: HUMANITARIAN ASSISTANCE

Program Area: Protection, Assistance, and Solutions

Performance Indicator: Percent of Planned Emergency Food Aid Beneficiaries Reached by USAID's Office of Food for Peace Programs

FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Target	FY 2008 Results	FY2008 Rating	FY 2009 Preliminary Target[2]
N/A[1]		85%	80%	84%	Met or Exceeded Target	85%

Data Verification and Validation

Data Source: USAID's Office of U.S. Foreign Disaster Assistance (OFDA).

Data Quality: This indicator is reviewed by OFDA's internal systems for measurement and response and coordinated by individual Regional Teams and the Technical Advisory Group.

Notes:
1. This is a new indicator and has only been measured since FY 2007.
2. FY 2009 targets are set at a preliminary level and will be updated when the FY 2009 budget is appropriated.

planned beneficiaries. Although this result is below the 93% target, USAID improved its performance over FY 2007, when it reached 86%. Most countries receiving assistance are beset by natural or human-made disasters or complex emergencies, or a combination of these, which exacerbate already acute or chronic food insecurity.

The reason for USAID's slight shortfall in performance is that the cost to purchase and transport food has increased dramatically over the past several years as commodity and fuel prices rose. The effect of the increase in costs has been fewer commodities and cash resources with which to meet needs. To counter the increased costs, which have drastically driven up the

cost per ton of food assistance, USAID is making several improvements to enhance performance:

1. The Agency is more selective in the commodities it chooses to purchase, such as switching to acceptable alternatives at a lower price.

STRATEGIC GOAL: HUMANITARIAN ASSISTANCE

Program Area: Protection, Assistance, and Solutions

Performance Indicator: Percent of Targeted Disaster-Affected Households Provided With Basic Inputs for Survival, Recovery, or Restoration of Productive Capacity

FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Target	FY 2008 Results	FY2008 Rating	FY 2009 Preliminary Target[1]
85%	84%	86%	93%	92%	Improved, but Did Not Meet Target	93%

Data Verification and Validation

Data Source: USAID's Office of Food for Peace (FFP) Summary Request and Beneficiary Tracking Table.

Data Quality: FFP regularly assesses the quality of data from implementing partners. The last data quality assessment was conducted in July 2007.

Notes:
1. FY 2009 targets are set at a preliminary level and will be updated when the FY 2009 budget is appropriated.

2. It pre-positions stocks more effectively to decrease transportation costs.

3. It is improving beneficiary targeting by concentrating resources for greater impact. This is achieved through better emergency needs assessments, new early warning tools, and a refined emergency needs allocation process.

USAID provides basic inputs for survival, recovery, and restoration of productive capacity in communities that have been devastated by natural and human-made disasters. The U.S Government maintains stockpiles of emergency relief commodities, such as plastic sheeting, blankets, water containers, and hygiene kits, in three warehouses around the world. To ensure that disaster-affected populations receive sufficient relief supplies, USAID manages the provision and delivery of these warehoused commodities and also provides funding to implementing partners to procure relief supplies locally. These supplies are distributed based on detailed needs assessments, often in coordination with other donors and NGOs. One major impediment to achieving 100% distribution is lack of security that prevents humanitarian workers from reaching beneficiary populations.

The indicator above illustrates USAID's achievements in providing disaster-affected households with basic inputs for survival, recovery, or restoration of productive

capacity. USAID's primary objective during a humanitarian crisis is to alleviate human suffering and reduce the social and economic impact of these emergencies. Providing affected households with the inputs

necessary for basic survival and recovery is the first and most significant step toward restoring the social and economic capabilities of affected areas. Tracking the percentage of households that receive this support in

Credit: James Pinsky/U.S. Navy

Haitian citizens worked with U.S. service members to offload disaster relief support that USAID provided to areas affected by tropical storms.
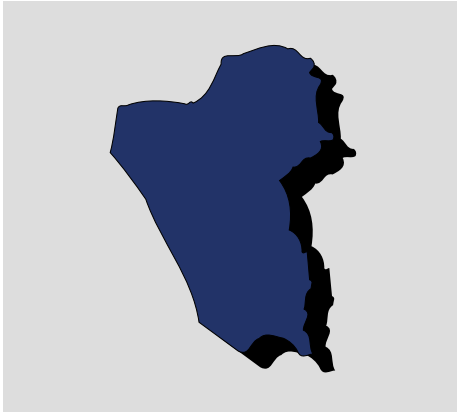
a crisis is a solid indicator of how effective USAID's efforts are in providing lasting solutions during a humanitarian crisis. FY 2008 performance slightly exceeded the target. Plans to improve performance include increasing cooperation with international humanitarian partners to obtain from government authorities better access for humanitarian assistance.

PROGRAM AREA: DISASTER READINESS

U.S. Government assistance builds and reinforces the capacity of disaster-affected countries, American responders, and the international community to reduce risks, prepare for rapid response, and increase the affected population's ability to cope with and recover from the effects of a disaster. It is estimated that 90% of disaster responders in the Western Hemisphere have been trained by USAID in programs that have been in operation for more than 30 years.

USAID-MANAGED RESOURCES	FY 2007 Actual	FY 2008 653(a) Final Base Plus Enacted Supplemental
HUMANITARIAN ASSISTANCE ($ thousands)	673,860	927,376
Disaster Readiness	**69,992**	**109,754**

REBUILDING IRAQ AND AFGHANISTAN

IRAQ

The rebuilding of Iraq is the largest reconstruction effort undertaken by the U.S. Government since the Marshall Plan. Since 2003, USAID has been a key player in this effort, working in Iraq to encourage economic growth; support democracy and build the capacity of national and local government; bring agricultural products to market; and provide humanitarian assistance to displaced and vulnerable populations. USAID also helped to rehabilitate Iraq's critical infrastructure and health and education systems. Many of its activities are implemented by USAID partners working together with provincial reconstruction teams throughout the country.

In areas prone to high levels of insurgency and violence, USAID works with community groups, local government officials, and provincial reconstruction teams to provide stability through activities centering on conflict mitigation and employment generation, such as public works projects, vocational training, and apprenticeships. Micro-grants and business trainings are also available to

encourage small business development. To engage marginalized and vulnerable youth, USAID supports recreational clubs, sports tournaments, drama presentations, and other activities for young Iraqis.

USAID's work in Iraq bridges the transition from the short-term provision of essential services to long-term, integrated, and Iraqi-led development. Providing a focused approach to essential issues, USAID is committed to working closely with the people of Iraq to build the foundation for a prosperous and secure nation.

Summary of USAID's achievements during FY 2008:

- Promoted entrepreneurialism through business skills training to 1,800 entrepreneurs and by opening four new Small Business Development Centers.

- Expanded employment opportunities including 45,000 short-term jobs and approximately 14,000 long-term jobs.

- Stimulated private sector growth through the establishment of a sustainable micro, small and medium scale enterprise sector which distributed $200 million in cumulative loans to more than 95,000 beneficiaries.

- Enhanced the capacity of local government by training 15,000 Iraqi local government officials in development planning and public finance.

- Assisted displaced and vulnerable Iraqis through $75.3 million in emergency assistance to renovate vital infrastructure, such as schools and roads; improve health facilities; repair water and

sanitation networks; create jobs; and distribute non-food items.

- Assisted over 625,000 victims of war through the Marla Ruzicka Iraqi War Victims Fund.

- Strengthened counterinsurgency efforts by providing over 4.6 million days of employment to Iraqi nationals and involving nearly 170,000 Iraqi youth in soccer, the arts, and life skills programs.

Please refer to the following for additional information:

USAID Iraq website: *http://www.usaid.gov/iraq/*

USAID Office of Inspector General, Reports to Management, Fiscal Year 2008: *http://www.usaid.gov/oig/iraq_reports_fy08.html*

Government Accountability Office, "Provincial Reconstruction Teams in Afghanistan and Iraq," October 1, 2008: *http://www.gao.gov/products/GAO-09-86r*

Special Inspector General for Iraq Reconstruction, "Quarterly Report to the United States Congress," October 30, 2008: *http://www.sigir.mil/reports/quarterlyreports/Oct08/pdf/Report_-_October_2008.pdf*

AFGHANISTAN

In 2001, when the Taliban was forced out of power, half of Afghanistan's people lived in absolute poverty, and virtually all of the country's institutions and much of its infrastructure was destroyed. To rebuild the country and combat terrorism, USAID provides the largest bilateral civilian assistance

program to Afghanistan, working to create economic growth, effective and representative governance, and a healthy, well educated population.

USAID is helping Afghanistan grow its economy through building functioning transportation and electricity networks, developing a market-driven agricultural sector, providing business support services, and strengthening property rights. To promote a just and democratic government, USAID focuses on strengthening governance and civil society and improving the management of human resources, financial resources, and service delivery. In the areas of health and education, USAID is rehabilitating clinics and schools, providing vital vaccines, training teachers, and distributing textbooks to students.

Throughout Afghanistan, USAID works with a team of outstanding local and international partners. Delivery of assistance at the provincial level is assisted through provincial reconstruction teams, which are small, joint civilian-military teams designed to improve security, extend the reach of the Afghan government, and facilitate reconstruction. USAID's work in Afghanistan is an excellent example of how the American people are helping the people of Afghanistan build a better future.

Summary of USAID's achievements during FY 2008:

- Expanded the licit economy by providing 109,000 individuals with agricultural, farm management and business training, benefiting over 123,000 families, including over 3,000 women and 15 women's organizations.

This resulted in almost $23 million in increased sales of licit farm products.

- Stimulated economic growth by providing over 88,000 loans, for a total of $55 million, to micro and small businesses in 21 of 34 provinces. Fifty-one percent of these loans went to women.

- Expanded the outreach of the financial sector through the establishment of 12 new credit unions and three micro-finance branches, increasing the total number of financial service outlets to over 115.

- Improved transportation routes by constructing 167 kilometers of roads generating over half a million labor days of local employment and over $2.9 million in local wages.

- Helped keep the lights on for over 415,000 people in five cities through operational and maintenance support to diesel generators and training to 48 employees of the Afghan electric utilities.

- Improved maternal and child health services by training 224 community midwives who are now assisting women with their deliveries.

- Expanded community-based health services by recruiting over 1,500 new volunteer community health workers, resulting in a total number of 8,445 trained volunteers in USAID-supported provinces.

- Helped Afghanistan improve its management of renewable natural resources by training 5,500 people, including almost 1,000 women, in conservation and protection of natural resources.

Please refer to the following for additional information:

USAID Afghanistan webpage: *http://www. usaid.gov/locations/asia/countries/afghanistan/*

USAID Office of Inspector General, Reports to Management, Fiscal Year 2008: *http://www.usaid.gov/oig/afghanistan_ reports_fy08.html*

Government Accountability Office, "Provincial Reconstruction Teams in Afghanistan and Iraq," October 1, 2008: *http://www.gao. gov/products/GAO-09-86r*

Special Inspector General for Afghanistan Reconstruction, "Quarterly Report to the United States Congress," October 30, 2008: *http://www.sigar.mil/reports/quarterlyreports/ Oct08/pdf/Report_-_October_2008.pdf*

Credit: Daniel Wilkinson/State Department

To date, 100,000 Afghani students, 70% of whom are female, have benefited from U.S. assistance to rebuild schools.

MANAGEMENT ACCOMPLISHMENTS

INTRODUCTION

As part of USAID's effort to build a 21st century workforce that can meet the challenges of transformational diplomacy, the Agency is strengthening its management capabilities. In FY 2008, the Agency demonstrated significant improvements in key management systems as assessed by OMB and the USAID Office of the Inspector General (OIG). The Agency also conducted a series of after-action reviews as part of its commitment to continuous improvement and modernization of its management capabilities. Implementation of the recommendations of these reviews is ongoing.

HUMAN CAPITAL

Human capital is USAID's strongest asset, and the Agency is making great strides in strengthening its workforce. In FY 2008, USAID released a new five-year Human Capital Strategic Plan for FY 2009–FY 2013, launched the Development Leadership Initiative, began a new internship program, and enhanced diversity awareness.

The cornerstone of the Human Capital Strategic Plan for FY 2009–FY 2013 is USAID's goal to "advance freedom for the benefit of the American people and the international community by helping to build and sustain a more democratic, secure, and prosperous world composed of well-governed states that respond to the needs of their people, reduce widespread poverty, and act responsibly within the international system." Toward this end, USAID is committed to "getting the right people in the right places, doing the right work, at the right time to pursue U.S. national interests abroad." This strategy will drive all of USAID's human capital activities, including talent management, succession planning, diversity, and accountability.

The Development Leadership Initiative (DLI) is a new USAID program aimed at increasing the Agency's ability to meet its development and national security objectives through a strong workforce. The goal of DLI is to double the USAID Foreign Service workforce by hiring 1,200 junior and mid-level foreign service officers by 2012. With strong support from the Secretary of State and the U.S. Congress, USAID received funding and hired 120 Foreign Service Officers in FY 2008, thereby expanding its Foreign Service workforce by 10%. In FY 2009, USAID plans to hire an additional 300 Foreign Service Officers once the FY 2009 appropriation is signed into law.

The Program Assessment Rating Tool (PART) used by OMB to assess federal programs shows that USAID is meeting its human capital goals. For calendar year 2008 USAID met 100% of its Agency-wide recruitment goals and 90% of its critical staffing needs, and 100% of employees performance approval plans link to the Agency's mission, goals, and outcomes. In addition, USAID achieved a green score for status and progress on its initiative on Strategic Management of Human Capital. Green is the top rating an agency can receive from OMB on the PMA scorecards.

As part of its human capital initiatives, USAID strives to increase diversity in its workforce and in FY 2008 achieved an increase in applications from minority-servicing colleges from 50 to over 1,100. The Agency also launched a new diversity-focused internship program, working closely with Gallaudet University, the Hispanic Association of Colleges and Universities, Historically Black Colleges and Universities, and the Washington Internship for Native Students. During its first year USAID hired 14 interns through this program.

The Agency requires all Washington-based employees to be trained on issues related to diversity and offers workshops that are integral to USAID's objective of supporting a vibrant, world-class, accountable Federal agency. In FY 2008, 28 workshops were completed, more than doubling the number since the program's inception the year before and bringing the total number of employees trained to 735. Additionally, Agency employees who want to advance to the Senior Foreign Service or the Senior Executive Service must now demonstrate a commitment to promoting diversity at USAID.

Foreign Service Nationals (FSNs) are host country citizens employed by USAID missions. To improve opportunities for them and to formally recognize their valuable service to the Agency, the Foreign Service National Advisory Council launched a number of initiatives during FY 2008. In addition to the existing FSN of the Year award, these initiatives include establishing a new FSN Senior Executive Corps, conducting an FSN Retention Survey for FSN Grades 10–13, creating an FSN Fellowship, establishing an FSN Corner as a new feature in the USAID Front Lines publication, and developing an FSN communication strategy.

ELECTRONIC GOVERNMENT

In support of the PMA, the USAID Electronic Government (E-Gov) program strives to enhance management capabilities

by simplifying and eliminating redundancy in Agency information technology systems. USAID's E-Gov program yielded significant results in FY 2008, especially with implementation of the Electronic Official Personnel File, the WebTA Electronic Time-Keeping System (WebTA), and the E2 Solutions Travel System (E2) and creation of the Global Acquisition and Assistance System (GLAAS). USAID also continued its excellent record of information security.

The new electronic Official Personnel Folder (eOPF) automates the traditional paper version and makes it available online. USAID employees can now access their own personnel records from any secure government workstation. Personnel actions such as annual pay increases, changes in benefits, and employee transfers are posted to the eOPF, and employees are notified by email when new actions are posted in their folder.

During FY 2008, USAID implemented WebTA for all USAID direct-hire employees, whether in Washington or in USAID missions. WebTA provides Web-based access to the Agency's timekeeping system, allowing direct-hire employees and their supervisors to enter, submit, or approve timecards from anywhere in the world. Requests for leave and premium pay are also processed through WebTA, and overtime, compensatory time, and danger pay can be recorded directly on the timecard. Subsequent phases of implementation will extend access to U.S. Personal Service Contractors and Foreign Service National staff.

USAID also launched the Web-based E2, which replaced the travel authorization and voucher system, to better serve the travel needs of all USAID personnel. E2 is a Government-wide system that offers reduced costs to USAID with no software licensing fees or hardware maintenance costs and unlimited access to users from any Internet-connected computer. E2 is fully deployed in USAID/Washington. Deployment to overseas offices began in June of 2008 and will be completed in FY 2009.

In FY 2008, USAID merged its acquisition and assistance functionalities into one integrated system, GLAAS, which has fully functional, real-time integration with the Agency's financial management system. GLAAS is fully interfaced with other Federal electronic government procurement systems, such as the Federal Assistance Award Data System, Federal Business Opportunities, the Federal Procurement Data System, Grants.gov, and the Online Representations and Certifications Application. Advance preparations for worldwide deployment of GLAAS began in FY 2008 and the system was piloted at select USAID Missions and Washington offices in December 2008, with world-wide deployment to follow thereafter.

USAID has consistently received high marks in information security. On the September 30, 2008, PMA scorecard, USAID earned an A+ in information security for the fourth consecutive year. As for the PART, USAID surpassed its goal of reducing the number of information security vulnerabilities per hardware item for the fifth year in a row and demonstrated for the fourth consecutive year that 100% of its information technology systems are certified and accredited.

MANAGE-TO-BUDGET

FY 2008 was the first full fiscal year of implementation of USAID's manage-to-budget (MTB) initiative to improve the transparency of and accountability for the cost of its operations. The initiative has already made notable progress in changing the way USAID budgets and manages its costs. The objectives of the manage-to-budget initiative are: 1) increase and improve transparency; 2) improve accountability; 3) provide incentives for managers to control costs; and 4) decentralize operating expense budgets to provide more flexibility, so that operating units can manage, control, and account for their own operating expense funds. MTB offers operating units full control over their human resource budget, increasing their flexibility in the number, type, and mix of staff they can recruit.

An audit of USAID's MTB activities released by the USAID OIG in August 2008 found that the Agency had fully met two of its four objectives and partially met the other two. USAID met objectives one and two by establishing (a) a new standard set of expanded object class codes to capture both operating expense and program-funded administrative costs so as to better understand the full cost of doing business at USAID; (b) a compensation tracking system to report on the U.S. direct-hire budgets of each operating unit and provide transparency about the salary and benefit budgets and surpluses realized by each operating unit; and (c) target overhead ratios to help control costs. USAID is now analyzing ways to fully address the recommendations related to employee productivity incentives, and decentralization of space and information technology management.

In sum, USAID's 2008 management accomplishments advanced the Agency's overarching goal of building a 21st century workforce that can meet the challenges of transformational diplomacy and of strengthening its management and operational capabilities.

2008 PERFORMANCE INDICATORS AND RATINGS

GOAL	2008 RATING
STRATEGIC GOAL 1: PEACE AND SECURITY	
Number of Public Information Campaigns Completed by U.S. Government Programs (Counterterrorism)	Did Not Meet Target
Number of People Trained in Conflict Mitigation/Resolution Skills with U.S. Assistance	Met or Exceeded Target
STRATEGIC GOAL 2: GOVERNING JUSTLY AND DEMOCRATICALLY	
Number of Justice Sector Personnel Who Received U.S. Government Training	Met or Exceeded Target
Number of U.S. Government-Assisted Courts with Improved Case Management[1]	Improved, But Did Not Meet Target
Number of Domestic Election Observers Trained with U.S. Assistance	Did Not Meet Target
Number of U.S. Government-Assisted Political Parties Implementing Programs to Increase the Number of Candidates and Members Who Are Women	Improved, But Did Not Meet Target
Number of U.S. Government-Assisted Civil Society Organizations that Engage in Advocacy and Watchdog Functions	Met or Exceeded Target
Europe NGO Sustainability Index	Met or Exceeded Target
Eurasia NGO Sustainability Index	Did Not Meet Target
STRATEGIC GOAL 3: INVESTING IN PEOPLE	
Health	
Number of People Receiving HIV/AIDS Treatment in the 15 Focus Countries[1]	Met or Exceeded Target
Number of People Receiving HIV/AIDS Care and Support Services in the 15 Focus Countries[1]	Met or Exceeded Target
Number of Countries Achieving a Tuberculosis Treatment Success Rate of 85% or Greater	Did Not Meet Target
Number of Countries Achieving a Tuberculosis Case Detection Rate of 70% or Greater	Improved, But Did Not Meet Target
Number of People Protected Against Malaria with a Prevention Measure (ITN and/or IRS) in PMI Countries	Met or Exceeded Target

GOAL	2008 RATING
STRATEGIC GOAL 3: INVESTING IN PEOPLE	
Percentage of Children with DPT3 Coverage	Met or Exceeded Target
Percentage of Live Births Attended by Skilled Birth Attendants	Met or Exceeded Target
Modern Contraceptive Prevalence Rate	Improved, But Did Not Meet Target
Percentage of Births Spaced Three or More Years Apart	Met or Exceeded Target
Number of People in Target Areas with Access to Improved Drinking Water Supply as a Result of U.S. Assistance	Improved, But Did Not Meet Target
Education	
Number of Learners Enrolled in U.S. Government-Supported Primary Schools or Equivalent Non-School-Based Settings, Disaggregated by Sex	Improved, But Did Not Meet Target
Social Assistance and Services	
Number of People Benefiting from U.S. Government Social Services and Assistance	Met or Exceeded Target
STRATEGIC GOAL 4: ECONOMIC GROWTH	
Time Necessary to Comply With All Procedures Required to Export/Import Goods	Did Not Meet Target
Credit to Private Sector as a Percent of GDP	Did Not Meet Target
Number of People with Increased Access to Modern Energy Services as a Result of U.S. Assistance[1]	Did Not Meet Target
Number of People with Access to Cellular Service as a Result of U.S. Assistance[1]	Did Not Meet Target
Number of People with Access to Internet Service as a Result of U.S. Assistance[1]	Did Not Meet Target
Number of People Benefiting from U.S. Government-Sponsored Transportation Infrastructure Projects	Did Not Meet Target
Number of Rural Households Benefiting Directly from U.S. Government Interventions in Agriculture	Met or Exceeded Target
Percent Change in Value of International Exports of Targeted Agricultural Commodities as a Result of U.S. Assistance	Met or Exceeded Target
Number of Commercial Laws Put into Place with U.S. Assistance that Fall in the 11 Core Legal Categories for a Healthy Business Environment	Did Not Meet Target
Percent of U.S. Government-Assisted Microfinance Institutions that Have Reached Operational Sustainability	Met or Exceeded Target
Number of Hectares Under Improved National Resource or Biodiversity Management as a Result of U.S. Government Assistance	Met or Exceeded Target
Quantity of Greenhouse Gas Emissions Reduced or Sequestered as a Result of U.S. Assistance	Did Not Meet Target

GOAL	2008 RATING
STRATEGIC GOAL 5: HUMANITARIAN ASSISTANCE	
Percent of Planned Emergency Food Aid Beneficiaries Reached by USAID's Office of Food for Peace Percent of Monitored Sites with Dispersed Populations (Internally Displaced Persons, Victims of Conflict) Worldwide with Less than 10% Global Acute Malnutrition (GAM) Rate	Did Not Meet Target
Percent of Targeted Beneficiaries Assisted by USAID's Office of U.S. Foreign Disaster Assistance-Supported Protection and Solution Activities	Improved, But Did Not Meet Target
Percent of Planned Emergency Food Aid Beneficiaries Reached by USAID's Office of Food for Peace Programs	Improved, But Did Not Meet Target
Percent of Targeted Disaster-Affected Households Provided with Basic Inputs for Survival, Recovery, or Restoration of Productive Capacity	Met or Exceeded Target

1. Jointly achieved with the Department of State and/or other U.S. Government agencies.

ACRONYMS

ADS	Automated Directives System
AIDS	Acquired Immune Deficiency Syndrome
AIM	Analysis, Information Management, and Communication project
ANC	Antenatal Care Clinic
CDC	Centers for Disease Control and Prevention
CE-DAT	Complex Emergencies Database
CO2	Carbon Dioxide
CSO	Civil Society Organization
CSP	Community Stabilization Program
DHS	Demographic Health Survey
DLI	Development Leadership Initiative
DOTS	Directly Observed Treatment Short-Course
DPT3	Diphtheria, Pertussis, and Tetanus (3 doses of vaccine)
DQA	Data Quality Assessment
DRC	Democratic Republic of the Congo
E2	E2 Solutions Travel System
E&E	Europe and Eurasia
EGAT	USAID Bureau of Economic Growth, Agriculture, and Trade

E-Gov	Electronic Government
eOPF	Electronic Official Personnel Folder
FACTS	Foreign Assistance Coordination and Tracking System
FFP	Food for Peace
FSN	Foreign Service National
FY	Fiscal Year
GAM	Global Acute Malnutrition
GDP	Gross Domestic Product
GF	Global Fund to Fight AIDS, TB and Malaria
GLAAS	Global Acquisition and Assistance System
HIV	Human Immunodeficiency Virus
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
ICMPD	International Centre for Migration Policy Development
IDP	Internally Displaced Person
IRI	Interactive Radio Instruction
IRS	Indoor Residual Spraying
ITN	Insecticide Treated Mosquito Net
MCH	Maternal and Child Health
MCPR	Modern Contraceptive Prevalence Rate

MDR-TB	Multi-Drug Resistant Tuberculosis
MEYMI	Middle East Youth Media Initiative
MFI	Microfinance institution
MTB	Manage to Budget
NER	Net Enrollment Rate
NGO	Non-Governmental Organization
NGOSI	Non-Governmental Organization Sustainability Index
NICS	Nutrition Information in Crisis Situations
OFDA	USAID Office of U.S. Foreign Disaster Assistance
OIG	USAID Office of Inspector General
OMB	Office of Management and Budget
PART	Program Assessment Rating Tool
PMA	President's Management Agenda
PMI	President's Malaria Initiative
PRT	Provincial Reconstruction Team
RWPL	Rural Women's Peace Link
SMART	Standardized Monitoring and Assessment of Relief and Transition

TB	Tuberculosis
TBD	Tuberculosis Detection Rate
TBS	Tuberculosis Treatment Success Rate
TIP	Trafficking in Persons
TRM	Transnational Referral Mechanisms
UN	United Nations
UNAIDS	United Nations Joint Program on HIV/AIDS
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNSCN	United Nations Standing Committee on Nutrition
U.S.	United States
USAID	U.S. Agency for International Development
WebTA	Web Time and Attendance
WHO	World Health Organization
WMD	Weapons of Mass Destruction
XDR-TB	Extremely Drug Resistant Tuberculosis