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AGENCY PERFORMANCE REPORT

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

Washington • March 31, 1999

Center for Development Information and Evaluation

PN-ACE-650

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USAID Public Internet Address

<http://www.info.usaid.gov>

Development Experience Clearinghouse

<http://www.dec.org>

The **U.S. Agency for International Development** is the organization within the United States government that provides assistance to developing countries to help with their economic and social development. USAID's roots go back to the Truman administration, the Marshall Plan, and reconstruction after World War II. In 1961, under the Kennedy administration, the Foreign Affairs Assistance Act created the United States Agency for International Development. Ever since, USAID has been at the forefront of U.S. efforts to help countries recover from disaster, escape poverty, and become more democratic. The Agency's mission to promote development and save lives is central to the U.S. leadership role. The Agency represents this country's commitment to be a leader by helping others help themselves.

This Agency Performance Report presents USAID's accomplishments in fiscal year 1997.

Since USAID has programs in over 100 countries worldwide, the preparation of an annual report that covers even a small part of the Agency's portfolio is no simple task. USAID is involved in nearly every sector of development, including democracy, economic growth and agricultural development, education, environment, humanitarian assistance, and health and family planning. The Agency's activities reflect the needs and priorities of the recipient countries and the concerns of other donors and development partners. USAID collaborates closely with a wide variety of partners and stakeholders, and the

results reported in this document are the product of that partnership.

One of the most serious challenges facing the world today is the transition of countries from crisis to stability. Transitions take many forms. Some countries are moving from centrally planned, command economies to market economies. Others have suffered civil wars or collapsed governments and are working toward peace and reconstruction. Still others are making the shift from authoritarian rule to democracy.

Several chapters of this report, including those on economic growth, democracy and governance, and humanitarian assistance, describe these transitions. All transitions are dynamic, difficult to predict, and challenging to manage. The transition process is rarely linear; setbacks are common and often discouraging. USAID and other donors working in transition countries have just begun to understand this complex transformation, but there is still much to learn.

INTRODUCTION

USAID Mission Statement

The mission of the United States Agency for International Development is to contribute to U.S. national interests by supporting the people of developing and transitional countries in their efforts to achieve enduring economic and social progress and to participate more fully in resolving the problems of their countries and the world.

This sixth annual report takes a broad geographic perspective, reporting on our programs throughout the world, but also focuses in-depth on Agency impact in a few critical areas of development. The annual reports have changed over the years in response to reader's needs and the Agency's evolving strategy. Early reports gave examples of how the Agency worked and the impact on people's lives. Last year's report added depth by showing how USAID learns from evaluations and studies of its programs.

USAID organizes its activities around seven Agency goal areas, two of which are new this year. The 1997 Agency Strategic Plan added the development goal human capacity development (human capacity built through education and training) and a leadership and management goal (USAID remains a premier development agency). The first gives education the attention it deserves. The management goal helps the Agency attend to the way it does business.

USAID Goal Areas

1. Broad-based economic growth and agricultural development encouraged.
2. Democracy and good governance strengthened.
3. Human capacity built through education and training.
4. World population stabilized and human health protected.
5. The world's environment protected for long-term sustainability.
6. Lives saved, suffering reduced, and conditions for political and economic development reestablished.
7. USAID remains a premier development agency.

Viewing development through the lenses of "goal areas" or "sectors" is both traditional and useful. However, USAID has learned that this approach has its limitations. Crosscutting issues affect every goal area, indeed, every area of Agency activity. These include such things as gender concerns, information technology, participant training, and food security. These will be discussed in each of the goal area chapters. Countries in transition are also not easily captured by looking through the lens of individual development sectors. Countries that were in the grips of authoritarian regimes and command economies are making a transition to becoming market driven democracies. This also may include a transition from conflict to peace. A discussion of some aspects of transition issues is found in the chapter on Humanitarian Assistance where particular attention is paid to the last type of transition listed above.

USAID measures progress toward all goals against a set of indicators of global progress, selected in coordination with the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development. These indicators, described in the document *Shaping the 21st Century*, represent the development priorities of countries that support international development and were the center of discussions at the January 1997 G-8 Birmingham summit. This meeting of the heads of state of the eight leading industrial democracies endorsed the DAC's 21st Century Strategy. USAID recognizes that it cannot achieve these goals on its own. USAID is one actor, often a minor one, working toward goals that involve other national development agencies, multilateral agencies

such as the United Nations and the World Bank, and, most important of all, the developing countries themselves.

USAID's participation in the DAC demonstrates both the Agency's leadership and commitment to building strong partnerships to work toward common goals. The simple idea that donors should work together to achieve common goals is one that USAID has promoted and is now seeing come to fruition. The idea that many donors can choose a set of objectives with performance indicators that apply to all countries is one that USAID has promoted and is working to achieve. At the same time, USAID has realized that we cannot single-handedly resolve the development problems that poor countries are facing. Partnerships are needed. The DAC forum builds these partnerships between bilateral donors to achieve universally held goals. Clearly, the DAC is not the only forum where USAID builds partnerships. The Agency works closely with multilateral donors, with recipient countries, and with a host of implementing partners in the public and private sector, including private voluntary organizations (PVOs), other U.S. Government Agencies and others who work with USAID to achieve common ends. Throughout the chapters, we have provided examples of the success of these partnerships.

Performance Measurement

The primary purpose of this year's report is to provide information on Agency performance for fiscal year 1997. To measure performance, the report includes statistics, which measure how well the Agency is accomplishing what it sets out to do. They quantify the impact of programs on people and on

the countries where they live. The text of the report provides an analysis of the trends. Annex C presents baseline data for all countries.

Goals and indicators are the framework to development. With the framework, the Agency can make informed strategic choices. Evaluating how countries or regions compare within the framework, the Agency can decide which sectors merit attention. The framework is also a tool to evaluate how countries or regions are progressing, and where attention is needed. A framework that is shared by donors and the host country is good for development and helps make assistance from USAID and other donors more effective.

USAID has always measured project performance, but systematic and comprehensive monitoring and reporting throughout the Agency is relatively new. One of USAID's significant accomplishments this year has been expanding its system of reporting results. Operating units manage program funds whether they are USAID country Missions or Washington bureaus or offices. Consequently, they are required to develop a strategic plan. The plan outlines strategic objectives and a commitment to accomplish them. Strategic objectives have multiyear goals, annual targets, and indicators to measure progress. In fiscal year 1996, USAID had targets, indicators, and data measuring progress for 39 percent of its strategic objectives. In 1997, USAID had all three components for 64 percent of its strategic objectives. Each of six goal area chapters discusses these issues. The seventh chapter, USAID as a Premier Development Agency, elaborates on how the performance monitoring system works.

USAID operates in an uncertain world where up-to-the-minute, reliable data can be hard to come by. Measuring performance in these situations requires that the Agency rely on many different sources of data.

USAID operates in an uncertain world where up-to-the-minute, reliable data can be hard to come by. Measuring performance in these situations requires that the Agency rely on many different sources of data. Details of the data sources are included both in the different goal chapters and in the tables in the annexes. The first set of indicators, measuring progress toward global goals, are the Country Development Indicators, which are collected by agencies such as the World Bank, the U.S. Bureau of the Census, and private organizations such as the Heritage Foundation. These represent the best information about what’s happening in every country of the world—not just where USAID operates—and therefore serve as an independent reference source. While these are the best indicators available to give the overall picture, there are some limitations. Despite representing the best available information, they rarely have information from the past fiscal year, and therefore can be considered to be out of date. Since they are country-level data, it is also difficult to draw exact linkages between what USAID does in a specific country—as opposed to what other donors or the country itself does—and changes in these indicators. It is therefore difficult to say that they measure USAID performance. Nonetheless, particularly when used as trend data, they assist us in determining whether our overall objectives in a country are being achieved.

The second source of data, as described above, are the indicators that each operating unit uses to measure progress toward achieving each element of its strategic plan. As described above, the

Agency has made enormous progress over the past three years in ensuring that these indicators are available for management at both the mission level and in Washington.

Since numbers, whether derived from country development trends or mission performance monitoring plans, do not tell the whole story, the Agency uses a third source of performance information. Each year, experts make a judgment on how each program is performing. These ratings are given by people who are familiar with performance in the field, and there is a very high correlation between the ratings of the “experts” and the ratings obtained from quantitative indicators.

Finally, USAID uses evaluations as a tool to determine whether programs are achieving their objectives in the most effective way. Evaluations are done both at the operating unit and at the Agency as a whole. There has been a major change in the use of evaluations in missions: once they were required as part of a normal project implementation cycle. Unfortunately, we’ve learned over the years that evaluations scheduled as a bureaucratic requirement are often neither particularly insightful nor of much use for making decisions. Over the past few years, the Agency has revised its evaluation strategy at the country level, now only requiring them when program performance is not in synch with expectations, or when there are management issues to be addressed.

At the Agency level, evaluations are done as part of the overall Agency Evaluation Agenda, which addresses several crucial issues each year. These take a hard look at key problems USAID is facing and provide feedback and guidance on what works and what

doesn't. Because of their importance, these evaluations form the core of the theme section of several goal area chapters below, as they discuss some

of the knottier development problems the Agency faces. Synopses of all recent Agency evaluations are found in annex B.

STRATEGIC PLANNING

U.S. government planning and reporting has moved into a new phase since the inauguration of Vice President Gore's National Performance Review (reengineering government initiative) and the Government Performance and Results Act of 1993 (GPRA or the Results Act). USAID participates in these initiatives.

The Strategic Plan for International Affairs governs all U.S. government agencies working abroad which collaborate with USAID. The Department of State prepares the strategic plan. The U.S. Embassy in each country develops a Mission Performance Plan that specifies U.S. goals and objectives and applies to each U.S. agency operating in that country. The USAID Mission in each country develops a country strategic plan in three- to five-year cycles. The plan outlines the different activities USAID will undertake to contribute to both the Mission performance plan and Agency strategic plan goals. Every year, each Mission (and Washington operating units) prepare a report, the Results Reporting and Resource Request document, known in the Agency as the R4. The R4 is submitted to Washington, where it is used 1) by USAID's regional bureaus to determine whether a country program is on track, 2) to prepare the

annual bureau budget submissions, which become part of the Agency budget request, and 3) as a data source for this Agency performance report.

Planning and reporting are important at the Agency level. The Results Act requires that the Agency prepare an updated, multiyear Agency strategic plan every three years. This plan is coordinated with the Strategic Plan for International Affairs, and is used to guide country strategic plans. Each year, USAID develops an annual performance plan that outlines the goals and objectives. The performance plan is produced two years in advance.

The Agency Performance Report looks at how well the Agency met the annual goals laid out in the its performance plan. To do this, the report draws from a variety of data sources. One of the most important is the annual goal area review, which assesses progress in each goal area. The review is used to develop both the annual report and the following year's performance plan. In addition, the report uses information from external data such as the country development indicators discussed earlier, the operating unit R4s, and the Agency's evaluations.

ABOUT THIS REPORT

This report, unlike those of the last two years, is divided into chapters corresponding to each of USAID's goal areas. The heart of each chapter consists of four sections, which tell different parts of the story of what's happening worldwide and what USAID programs are doing in that goal area.

The **Introduction** provides the rationale for USAID involvement in the sector. Building on this, it goes on to describe the Agency's development hypothesis—that is, the types of things USAID does, and how they lead to the desired results. Finally, it describes how different interventions are distributed in the countries where USAID works.

The **Program Impact** section examines country-level development indicators for each goal area, tracks global progress against those indicators, and assesses USAID's progress in achieving its targets.

The **Highlights** section gives a sense of what USAID does, and how its work affects people's lives.

Finally, the **Theme** section develops a single aspect of the goal area, to illuminate the development hypothesis that guides USAID activities, shows how USAID activities on the ground lead to changes in the country development indicators, and demonstrates how USAID learns from experience. This section provides more depth than other sections.

The statutory purpose of the Agency Performance Report is to report Agency progress through the Office of Management and Budget to Congress. However, USAID envisions a much broader use of the report, both inside and outside the Agency. Since it synthesizes substantial amounts of information, particularly lessons learned from on-the-ground experience, it is useful to Missions and offices as they implement projects. USAID hopes that it will be useful to development partners outside the Agency, private voluntary organizations, universities, the private sector, and other agencies as they seek to understand what USAID is, what it does, and what it stands for.

I. INTRODUCTION

In May 1996, the development community, including USAID, adopted the formidable challenge of reducing by half the proportion of people living in extreme poverty by the year 2015.¹ Eighty-five percent of the world's poor subsist in low-income developing countries and regions where poverty is widespread. To help them, development programs must work to ensure that the poor have opportunities to improve their lives.

Experience over the past 35 years demonstrates that economic growth is the major factor in reducing poverty in low-income countries—the faster the economy grows, the faster poverty diminishes.² In the poorest countries, agricultural development is critical for initiating and sustaining broad-based economic growth. Success in reducing global poverty, therefore, depends on economic growth and agricultural development.

Economic growth, including agricultural development, contributes to other dimensions of development. Expanded economic opportunities and higher incomes are associated with improvements in basic education, basic health, and fertility reduction. Countries that have made significant economic and social progress are better able to establish and sustain democratic government

and protect the environment. For countries in transition, such as the former communist countries of the Soviet Union and eastern Europe, broad-based economic growth enhances political stability and eases the transformation along the path to reform. Failure to make economic and social progress significantly raises the odds of crisis and state failure. The countries typically identified as failed states—Afghanistan, Angola, Burundi, Cambodia, Congo (Zaire), Liberia, Myanmar, Rwanda, Sierra Leone, and Somalia—are among the poorest in the world.³ While, in some of these cases, it is unclear whether a lack of progress caused or was the result of being a “failed state,” a lack of progress, crisis and failure are clearly linked.

Economic growth around the world also benefits the U.S. economy directly. U.S. exports to developing countries in 1997 alone totaled \$275 billion, up from \$239 billion the year before.⁴ These exports have been growing at a rate of 13 percent per year since 1987. In comparison, U.S. exports to other industrialized countries grew at 9 percent during the same period. Clearly, economic performance in developing countries has a large and growing impact on the U.S. economy. Promoting it is in the U.S. national interest.

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ECONOMIC GROWTH AND AGRICULTURAL DEVELOPMENT

Economic performance in developing countries has a large and growing impact on the U.S. economy. Promoting it is in the U.S. national interest.

The Economic Growth and Agricultural Development Strategic Framework

USAID promotes broad-based economic growth and agricultural development through programs that expand and strengthen critical private markets, encourage more rapid and enhanced agricultural development and food security, and expand and make more equitable access to economic opportunity for the rural and urban poor.

USAID programs that *expand and strengthen critical private markets* use five complementary approaches that 1) improve the policies, laws, and regulations that govern markets; 2) strengthen those private financial institutions that reinforce and support competitive markets; 3) support private and public investments in infrastructure, including telecommunications; 4) privatize state-owned enterprises; and 5) promote the training and technology transfer required for the private and regulatory sectors to maintain a competitive market environment.

Appropriate laws, policies, and regulations create an enabling environment that provides for efficient functioning of private commodity, labor, and capital markets. Elements of an enabling environment include sound currency exchange, fiscal, and monetary policies and the institutions needed to promote economic growth. Sound, market-responsive private financial institutions promote competition by making it easier for competing firms to take advantage of market opportunities. Better infrastructure—postal service, roads, and telecommunications—facilitates the flow of goods, services, and information between producers and customers. The privatization of state-owned enterprises into either well-regulated private monopolies or competitive private enterprises promotes efficiency. Training and technology transfer improve the capacity of the private sector to take advantage of market opportunities and the capacity of regulators to enforce needed regulations without stifling productivity and innovation.

USAID's approaches to *encourage more rapid and enhanced agricultural development and food security* concentrate on 1) improving policies, 2) strengthening support institutions, 3) promoting development transfer of appropriate technology, and 4) generating labor and product market linkages that maximize the outputs of each.

Appropriate agricultural policies are essential if farmers are to have adequate incentives for investment and growth. For example, state-owned monopolies may pay farmers below-market prices for commodities, and then sell them at a much higher rate. In effect, they use

AGENCY GOAL ONE

Broad-Based Economic Growth Achieved

Agency Objective 1.1

Critical Private Markets Expanded and Strengthened

Agency Objective 1.2

More Rapid and Enhanced Agricultural Development and Food Security

Agency Objective 1.3

Access to Economic Opportunity for Rural and Urban Poor Expanded and More Equitable

their monopoly power to raise revenue—collect taxes, as it were—for the government. As these taxes become excessive, they reduce the profitability of commercial farming, creating strong disincentives to invest in technologies that might increase agricultural yields. As described below, USAID works to change such dysfunctional policies and institutions.

USAID brings agricultural research, technological experimentation, and innovation to bear on agricultural problems to help increase productivity of land and farm labor in the developing worlds. The vehicles for this assistance are supporting partner institutions, such as the U.S. land grant colleges, and specialized international agricultural research centers. These work with a range of developing country national and regional institutions. Since increasing productivity lays a basis for increased production and lower consumer prices, it is a basic step toward improving food security. Since different areas have different potential labor availability and agricultural potential, one way to increase productivity is to ensure that appropriate market mechanisms exist to link available labor in one area with the opportunities to improve productivity in another.

USAID's programs that *expand and make more equitable access to economic opportunity for the rural and urban poor* 1) expand access by micro-entrepreneurs, particularly women, to financial services; 2) increase access to appropriate agricultural and nonagricultural technologies, with special attention to gender; 3) improve the legal and regulatory environments facing microenterprises and small and

medium-size businesses; 4) increase access to information and information technologies; and 5) increase access to training in business practices and applied numeracy and literacy.

Small or micro business owners face substantial barriers to obtaining credit. These include difficulty in demonstrating creditworthiness, conservative formal financial institutions, credit rationing, and collateral requirements. Often these barriers deny them loans that they could use productively and that they could repay. In addition, the poor—particularly poor women—need a sound policy environment to enable them to pursue their livelihoods, and access to technologies that will help them improve their productivity and earn higher incomes. Government policies, such as licensing requirements, may hinder development of microenterprises and small and medium-size businesses. The poor also need information about market opportunities and technologies that will help them improve their incomes. They need training in better business practices and applied literacy and numeracy.

Distribution of USAID Programming

In 1997, the Agency had 145 programs supporting broad-based economic growth and agricultural development in 76 operating units (countries, regional offices, and central bureaus). These programs represent 29 percent of all USAID programs and 84 percent of all operating units (see annex A, table 1). Of these programs, 67 were in developing countries, 68 were in countries making the transition from communism, and another 10 were globally oriented.

Figure 1.1 shows the distribution of economic growth programs by objective. The objective to expand and strengthening of critical private markets objective is the most common, since 78 percent of all economic growth programs support this objective.

per capita income and relatively skewed income distribution. Programs place slightly more emphasis on integrating the region's economies, including their agricultural sectors, with the global economy while helping the least-advantaged benefit from that integration.

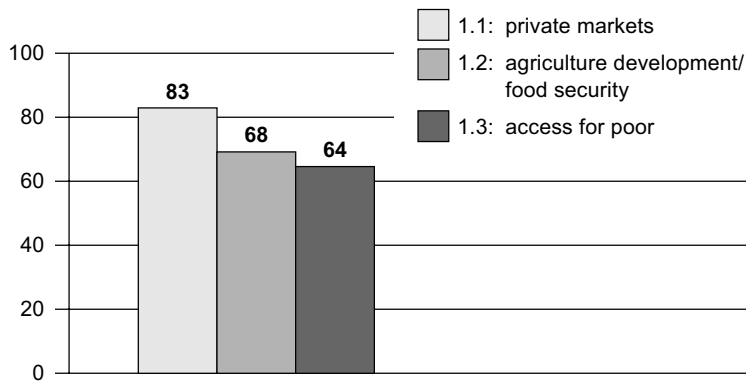
In the **Africa** region, USAID programs emphasize agricultural development, given its importance for growth, poverty reduction, and food security in the poorest countries. Other USAID programs concentrate on promoting openness to trade and investment, mobilizing domestic resources, and improving the enabling environment for the private sector.

In the **Asia and the Near East** region—which is poor, but economically further along than Africa—there are more programs to strengthen markets and expand access and opportunity for the poor than to promote agricultural development. The agricultural development programs that do exist concentrate on promoting investment in and exports from the private agribusiness sector.

Overview

Following this introduction of USAID's goal of encouraging broad-based economic growth and agricultural development, and the distribution of programs by objective and region, section II analyzes regional progress toward performance goals. Overall, performance has been positive in recent years, with some variation across regions. This section also summarizes operating units' success in meeting their targets for economic growth programs.

Figure 1.1
Percentage of Operating Units with EGAD SOs, FY97
by Agency Objective



In the **Europe and new independent states** region, all operating units have economic growth programs. In these countries, strengthening private markets is the key to making the economic—and political—transition from communism. By contrast, only about 60 percent of the operating units contribute to agricultural development. An even smaller number contribute to programs that directly address expanded and equitable access to economic opportunity for the poor.

For the **Latin America and the Caribbean** region, USAID operating units primarily seek to expand and strengthen critical private markets and expand access and opportunity for the poor. A somewhat smaller number of programs contribute to agricultural development. This pattern is explained in part by the region's relatively high

Section III highlights programs that illustrate USAID contributions and achievements in economic growth and agricultural development in FY97 in all three growth objectives.

Many of USAID's programs aim to strengthen the role of the financial sector in the economy by promoting sound

fiscal and monetary policies, strengthening banking institutions and financial markets, and promoting access to credit by small farmers and microentrepreneurs, integrating them into formal financial markets. Section IV explores this in-depth by examining two areas relating to finance—microenterprise development and capital markets.

II. PROGRESS TOWARD ECONOMIC GROWTH GOALS

This section examines progress in USAID's economic growth performance goals against the benchmarks established in the 1997 annual performance plan. In most cases, the benchmarks refer to performance during the first half of the 1990s.⁵ The Agency's Strategic Plan lists the following performance goals for economic growth:

- average annual growth rates in real per capita income above 1 percent achieved;
- average annual growth in agriculture at least as high as population growth achieved in low-income countries;
- proportion of the population in extreme poverty reduced by 25 percent in 10 years (in line with the Development Assistance Committee target of 50 percent reduction by 2015);
- openness and greater reliance on private markets increased (as indicated by improved scores for economic freedom, and by expanded trade and direct foreign investment); and
- reliance on concessional foreign aid decreased in advanced (middle-income) countries.

Progress toward achieving these goals is not simply due to USAID's efforts,

since the entire development community, including the governments and people of the countries involved are involved. In addition, the sheer force of the expanding global economy has had a significant impact.

The patterns that emerge from the data are fairly clear and consistent. The countries in USAID's **Asia and Near East** region continue to show high-level performance, compared with the baselines and other regions. The effects of the Asian financial crisis on USAID recipients are not yet discernible in the data reviewed here, and (apart from Indonesia) largely remain to be seen. The **sub-Saharan Africa** region—where performance had been weakest—has seen striking improvements. Analyses completed by USAID and the International Monetary Fund (IMF) indicate that this is mainly caused by improved policies, rather than weather, terms of trade, or other external factors.⁶

In the **Europe and new independent states** region, data through 1997 show a continued pattern of strengthening recovery in countries making the transition from communism. However, the crisis in Russia is likely to handicap progress in other new independent states, because of their close trade links

Most regions showed substantially improved economic growth in 1994–97 compared with the 1992–96 baseline.

with Russia. There is also some recent evidence of backsliding on reforms. Performance has improved in the **Latin America and Caribbean** region, although there is room for more improvement.

Developing countries, with the support of the development community, have achieved considerable success in meeting the main economic challenges. If performance trends through 1997 can be maintained, the ambitious DAC and USAID target of halving the proportion of people living in extreme poverty by 2015 is likely to be achieved for most of the developing world. Economic freedom has increased for two thirds of countries receiving USAID assistance. Direct foreign investment and trade have expanded sharply in all regions, trends that have directly benefited the United States. Although the precarious state of the international economy in 1998, particularly in Russia and parts of Asia, may slow these trends, they should continue over the medium term for most USAID recipients. Among middle-income developing countries and most of the countries in transition from communism, dependency on concessional foreign assistance is low or falling steadily.

Country Development Trends

• Annual Growth in Per Capita Income Above 1 Percent

Most regions showed substantially improved economic growth in 1994–97 compared with the 1992–96 baseline. About two thirds of USAID recipient

countries achieved per capita income growth higher than 1 percent, compared with less than half (45 percent) in the base period. By region, the proportion of countries with such growth ranged from 50 percent (and rising) for **Europe and the new independent states** to 100 percent for **Asia and the Near East**.

In the **Africa** region, growth performance is much improved. Sixty-five percent of the USAID countries evaluated (13 of 20) surpassed the 1 percent threshold, compared with 36 percent in the base period. Growth was 2 percent or greater in 10 countries—Angola, Benin, Eritrea, Ethiopia, Guinea, Guinea-Bissau, Malawi, Namibia, Uganda, and Zimbabwe. Countries that clearly fell short of the benchmark included Kenya, Madagascar, Niger, Tanzania, and Zambia.

In the **Asia and Near East** region, all 14 USAID countries were above the 1 percent threshold, most by substantial margins. Seven countries grew at 3.5 percent or better (Bangladesh, Cambodia, India, Indonesia, Lebanon, Sri Lanka, and Vietnam), while three others (Israel, Jordan, and the Philippines) were well above 2 percent. While Indonesia's economic and political situation has come untracked in 1998, it remains to be seen how the Asian financial crisis will affect other USAID recipients in Asia.

In the **Latin America and Caribbean** region, 8 of 15 USAID countries surpassed the 1 percent threshold (53 percent), compared with 43 percent in the base period. Growth was 2 percent or greater in Brazil, Dominican Republic, El Salvador, Guyana, and Peru. Jamaica, Haiti, Honduras, and Paraguay clearly fell short of the goal.

In **Europe and the new independent states**, 11 of 22 countries had annual growth in per capita income at or above 1 percent, in most cases by substantial margins. In keeping with the pattern of decline and recovery that can be expected during transition from communism, 9 of the 11 countries that did *not* surpass the threshold show clear improvements in growth performance in 1994–97. The number of countries in the region achieving positive growth has increased steadily over time. However, Albania and Russia (among others) face serious challenges, and the effects from the crisis in Russia may be substantial.

- **Growth in Agriculture at Least as Rapid as Population Growth for Low-Income Countries**⁷

The vast majority of low-income countries achieved agricultural growth at least as rapid as their population growth. Performance in sub-Saharan Africa improved dramatically. Overall, 25 out of 29 USAID recipients (86 percent) achieved this performance goal for 1994–96, compared with about 35 percent for the 1990–95 baseline period. This is a result of improved agricultural performance and gradually declining rates of population growth.

For **Africa**, data were available for 16 USAID-assisted low-income countries and 14 (88 percent) surpassed the performance goal, in most cases by substantial margins. This compares with 33 percent in the base period. Only Madagascar and Zambia fell short. For the two low-income countries without data, it is likely that Eritrea (3.5 percent per capita gross domestic product growth) had rapid agricultural growth and Tanzania (0.3 percent) did not.

For the **Asia and Near East** region, four of the seven low-income countries—India, Mongolia, Nepal, and Vietnam—exceeded the performance goal, and Cambodia just met it. Bangladesh and Sri Lanka fell short, but still enjoyed very rapid overall growth in per capita income (more than 3.5 percent). This success rate of 71 percent compares with 43 percent in the base period.

For the **Latin America and Caribbean** region, three of the four low-income countries—Guyana, Honduras, and Nicaragua—surpassed the performance goal. Data are not available for Haiti, but performance probably fell short.

For the region of **Europe and the new independent states**, three out of eight low-income countries—Albania, Armenia, and Kyrgyzstan—surpassed the performance goal. Data were not available for Azerbaijan, Bosnia, Moldova, Tajikistan, and Turkmenistan.⁸

- **Proportion of the Population in Extreme Poverty Reduced by 25 Percent in 10 Years**

Data on poverty appear only sporadically. Nonetheless, the goal of reducing the proportion of the population in poverty is included in the USAID strategic plan because the “war on poverty” is as important abroad as it is domestically, and because USAID subscribes to the goals of the Development Assistance Committee of the Organization for Economic Cooperation and Development (OACD).

Overall, incomes have been expanding in line with the performance goal in 57 percent of USAID recipient countries, including all of low-income Asia, which, because of its high population, is home to the bulk of global poverty.

For the **Africa** region, 11 of 20 USAID countries (55 percent) achieved per capita income growth of 1.9 percent or better during 1994–97, and two others (Ghana and Senegal) were very close. This compares with 33 percent in the 1992–96 base period. However, a major concern is that, with the exception of Ethiopia, growth in the larger countries in the region—Congo, Kenya, Nigeria, South Africa, and Tanzania—has been inadequate to achieve the target. This poses a considerable drag on overall progress in reducing poverty in Africa, which accounts for about one quarter of global poverty outside China.

For the **Asia and Near East** region, all 14 USAID countries had per capita income growth above the relevant thresholds, typically by substantial margins. This compares with 43 percent in the base period. Since the region accounts for two thirds of global poverty outside China, these findings are encouraging. Although Indonesia’s progress has stalled, continued growth at current rates in Bangladesh, India, Nepal, the Philippines, Vietnam, and others would mean significant progress in reducing global poverty.

For the **Latin America and Caribbean** region, 5 of 15 countries had per capita income growth above the threshold—Brazil, Dominican Republic, El Salvador, Guyana, and Peru. In addition, growth in Mexico has been accelerating since 1995.

For **Europe and the new independent states**, 11 of 22 countries exceeded the 0.8 percent growth rate required for the reduction in poverty target. Trends for most other countries have been positive.

- **Increased Openness and Greater Reliance on Private Markets**

To assess increased openness and greater reliance on private markets, USAID looks at three indicators—scores for economic freedom, direct foreign investment, and trade. The Heritage Foundation compiles annual scores for economic freedom, covering most USAID recipients. The scores seek to measure the degree to which the policy and institutional setting supports well-functioning private markets that reward individual initiative. The scores are partly a measure of commitment to sound policies, and partly an indicator of success in the difficult task of building the institutional foundations for markets (such as a well-functioning judicial system and effective oversight of financial markets). For each country, USAID compared the scores covering 1997 with the average scores for 1994 and 1995. Overall, economic freedom has improved in 68 percent of USAID-recipient countries, remained unchanged for about 10 percent, and declined in 22 percent. Economic freedom has improved in at least 60 percent of the countries in each region.

ACHIEVING POVERTY REDUCTION

Estimated growth rates required to achieve the poverty target by region:^{9, 10}

Agency Objective 1.2

Sub-Saharan Africa	1.9%
Latin America and the Caribbean	1.8%
South Asia	1.3%
East Asia	1.2%
Middle East and North Africa	0.3%
Europe and central Asia	0.8%

For the **Africa** region, economic freedom increased in 11 of 18 countries (61 percent). Ghana, Mali, and Tanzania showed the greatest improvements. In Malawi, Zambia, and Zimbabwe, economic freedom scores declined.

For the **Asia and Near East** region, economic freedom increased in 11 out of 14 countries (79 percent). The greatest improvements were in Indonesia, Israel, Mongolia, the Philippines, and Sri Lanka. Economic freedom declined in Lebanon and Morocco.

For the **Latin America and Caribbean** region, economic freedom increased in 10 of 15 countries (67 percent). Bolivia, Ecuador, Haiti, Nicaragua, and Peru achieved the biggest gains. Economic freedom declined slightly in the Dominican Republic, Guyana, Mexico, and Paraguay.

In **Europe and the new independent states**, 11 of 17 countries (65 percent) improved and 5 declined in economic freedom. Lithuania, Moldova, and Romania achieved the largest improvements.

Direct foreign investment is a second indicator of increased openness and greater reliance on private markets. To assess change, USAID compared average annual net direct foreign investment for 1995–96 with data for 1992–93. Overall, direct foreign investment has mushroomed in USAID recipient countries from annual levels of \$19 billion in 1992–93 to more than \$51 billion for 1995–96. However, it has tended to be highly concentrated in relatively few countries. The top four recipients (Mexico, Brazil, Indonesia, and Poland) together account for more than half of direct foreign investment, adding

Hungary, Peru, India, Russia, and Israel brings it to nearly 80 percent.

For the **Africa** region, direct foreign investment increased in 10 of 15 countries (66 percent), was fairly stable in two others, and declined in only three countries (Angola, Benin, and Madagascar). This is essentially unchanged from 62 percent in the baseline period (1995 compared with 1990). The most significant increases were in Ghana, Mali, South Africa, Tanzania, and Uganda. Overall foreign investment more than doubled, to about \$1.2 billion.

For the **Asia and Near East** region, direct foreign investment clearly increased for 11 of 14 USAID recipient countries (79 percent), compared with 92 percent in the baseline period. It showed no discernible trend in Bangladesh and declined in Morocco and Sri Lanka. The largest increases were in Israel, Indonesia, India, Vietnam, and the Philippines. Overall, direct foreign investment in the region nearly trebled, from \$5 billion to almost \$15 billion.

For the **Latin America and Caribbean** region, direct foreign investment increased in 13 of 15 USAID countries (87 percent) compared with 92 percent in the baseline period. It fell in Guatemala and Guyana. The largest increases were in Brazil, Mexico, and Peru. These three countries accounted for almost 90 percent of the 1995–96 levels. Overall, direct foreign investment in the region increased from about \$8 billion to about \$21 billion.

For the region of **Europe and the new independent states**, data for direct foreign investment for many countries only started to appear in 1993 and 1994. Systematic comparisons with a 1992–93

As developing countries reach middle-income and then advanced status, the need for foreign aid diminishes and eventually disappears.

baseline are therefore not possible. However, there is a clear rising trend in about 80 percent of the countries with data, which is not surprising, since many started from ground zero. Among the formerly communist countries, direct foreign investment increased from \$3.6 million (mainly in Poland and Hungary) to more than \$12 billion.

The third indicator of increased openness and greater reliance on foreign markets is **increased trade**. For brevity, this analysis assesses export growth, a key determinant of a country's capacity to achieve and sustain overall growth in incomes, output, and productive employment. For the most part, performance was better than during the baseline period. In particular, a number of poor countries are enjoying considerable success in increasing exports.

For the **Africa** region, exports grew by more than 8 percent on average. Guinea-Bissau, Ethiopia, Uganda, Zimbabwe, Mozambique, Ghana, and Kenya achieved the most rapid export growth rates, ranging from 9.5 percent for Kenya to 26 percent for Ethiopia and Guinea-Bissau.

For the **Asia and Near East** region, export growth was 10.3 percent. Bangladesh, Nepal, India, the Philippines, and Jordan achieved the most rapid growth in exports, ranging from more than 15 percent annually for Bangladesh and Nepal to more than 11 percent for Jordan.

For the **Latin America and Caribbean** region, exports grew at 8.2 percent, exceeding by a significant margin the 4 percent growth rate (for merchandise exports) in the baseline period. Export

growth was most rapid in Haiti (from a low base), Nicaragua, and El Salvador (14 percent to 19 percent). Bolivia, Guyana, Paraguay, and Peru achieved export growth rates at or near 10 percent.

For the region of **Europe and the new independent states**, trade data are too sparse and incomplete to warrant reporting.

- **Diminished Reliance on Concessional Foreign Aid in Advanced Countries**

As developing countries reach middle-income and then advanced status, which is typically signaled by economic and social indicators, the need for foreign aid diminishes and eventually disappears. It is not clear whether this paradigm can be applied to **Europe and the new independent states** countries, since per capita income and social indicators are generally *not* good indicators of success in transition from communism. Nonetheless, aid dependence overall has been low and falling in most countries that would be considered advanced. Details are available in the tables in annex C.

Monitoring Performance in Economic Growth and Agricultural Development

In addition to monitoring country performance, USAID closely monitors its operational-level program performance. As an integral part of its managing-for-results approach, USAID programs in each country develops its Country Strategic Plan, consisting of several broad strategic objectives. Each strategic objective has several specific intermediate results that contribute directly to its accomplishment. USAID monitors performance at both levels.

- **Data for Performance Monitoring**

The USAID program in each country identifies performance indicators to measure progress of each strategic objective and intermediate result. Regional bureaus review and approve these indicators. To measure performance, an indicator must have two elements: an *annual target* (derived from baseline data) and *actual data* on the strategic objective's performance during the year under review.

In 1997, target and current data were reported for 68 percent of the 145 economic growth strategic objectives. This improvement, up from 43 percent in the previous year, reflects efforts by USAID's Center for Economic Growth and Agricultural Development and regional bureaus to help USAID Missions identify effective indicators and improve data collection.

Performance reporting for lower-level intermediate results is also important and the Agency monitors it annually. In 1997, there were FY97 performance data against established targets for 73 percent of the 422 intermediate results in economic growth and agricultural development.

In addition, USAID also monitors the percentage of strategic objectives where indicators meet or exceed the established annual target. This measure, looking solely at the indicator data at the strategic objective level, provides one perspective on the aggregate performance of the objectives in each goal area. Of those economic growth strategic objectives for which full indicator data were reported for 1997, targets were met or exceeded in 75 percent of the cases and not met in 25 percent of the cases.

- **1997 Performance: Bureaus' Technical Performance Assessments**

Indicator data tell only part of the performance story. To assess USAID's program performance, the regional bureaus in Washington complete an annual technical review of each strategic objective, including its intermediate results. This review combines analysis of performance indicator data, qualitative evidence of progress, and performance trends and prospects.

The bureaus reviewed 127 programs in support of the economic growth goal in 1997.¹¹ Of 127 strategic objectives in support of the economic growth and agricultural development goal, regional bureaus judged that 20 percent exceeded performance expectations, 64 percent met expectations, and 16 percent fell short of expectations in 1997.¹²

For developing countries alone, bureau performance scores suggest that the performance of economic growth programs across all Agency objectives was quite good. Performance exceeded expectations for 26 percent, met expectations for 64 percent, and fell short of expectations for only 10 percent. In the former communist countries, 13 percent of all economic growth programs exceeded expectations, while 64 percent met expectations, and 23 percent fell short.

- **Reasons for Performance Problems**

Two thirds of those programs failing to meet expectations were in the former communist countries of **Europe and the new independent states**. Several factors help account for the higher incidence of performance shortfalls there.

First, the challenges of transition from communism are distinct from those of development. The problems have more to do with undoing and replacing entrenched, maldeveloped communist institutions than building on and strengthening existing (underdeveloped) institutions. The former is arguably the tougher task. Second, the track record in transition from communism is less than a decade, compared with almost 40 years of experience in development. The “state of the art”—the body of lessons learned—is considerably less advanced for post-communist transitions. Third, USAID has had much less of a field presence in the former communist countries, which is especially important where the challenge is institutional change. Fourth, political crises, civil unrest, and unanticipated economic problems account for some of the unsatisfactory performance.

For example, in **Albania**, expectations were not met for two strategic objectives. A failed get-rich-quick pyramid investment scheme wrought havoc in the country’s financial sector. Subse-

quent civil unrest directed at the government then threw the enterprise development program off track. In other countries, including **Armenia, Romania, Russia, Slovakia, Turkmenistan, and Uzbekistan**, USAID set expectations too high, given that programs are being developed in environments that are still evolving, sometimes with considerable turmoil.

Examples from developing countries where program performance fell short of expectations included **Ethiopia** and **Jamaica**. In Ethiopia, despite significant progress in one area of the program, overall program performance suffered because the Ethiopian government has no agreement on any major bilateral assistance programs for agricultural production.¹³ In Jamaica, USAID concluded that despite significant accomplishments in many areas, the overall program objectives were too ambitious and not within USAID’s manageable interest, given the modest size of the program. Section III of this chapter presents further information on USAID’s experience in Jamaica.

III. HIGHLIGHTS

To illustrate USAID’s work, this section explains the approaches USAID uses to promote each of the three Agency objectives and provides significant results of selected USAID programs, including some that succeeded and some that fell short of expectations.

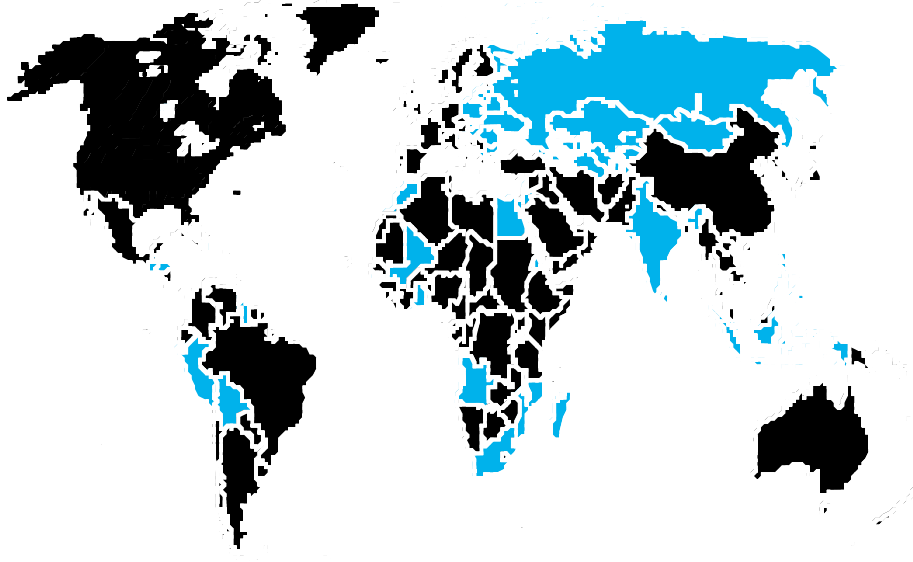
Expanded and Strengthened Critical Private Markets

Many of USAID’s programs that *expand and strengthen critical private markets* work to improve policies and

regulations (including fiscal and monetary policies) to create an enabling environment for private sector groups. They also concentrate on privatizing state-owned enterprises, developing the capacities of private sector enterprises and entrepreneurs to take advantage of domestic and international market opportunities, and promoting the development of sound, efficient financial markets. The following are representative of the approaches undertaken by USAID in strengthening markets.

MAP 1.1

Objective 1.1: Critical Private Markets Expanded and Strengthened



Country Programs

- | | |
|----------------|----------------|
| Albania | Kazakhstan |
| Angola | Kyrgyzstan |
| Armenia | Lebanon |
| Azerbaijan | Macedonia |
| Belarus | Madagascar |
| Bolivia | Malawi |
| Bulgaria | Mali |
| Croatia | Moldova |
| Dominican Rep. | Mongolia |
| Egypt | Morocco |
| El Salvador | Mozambique |
| Eritrea | Peru |
| Georgia | Philippines |
| Ghana | Poland |
| Guatemala | Romania |
| Guinea-Bissau | Russia |
| Guyana | Slovakia |
| Haiti | South Africa |
| Honduras | Sri Lanka |
| Hungary | Tajikistan |
| India | Turkmenistan |
| Indonesia | Ukraine |
| Jamaica | Uzbekistan |
| Jordan | West Bank/Gaza |

Regional Programs

- RCSA
- REDSO/ESA
- Sahel Regional
- African Sustainable Development
- Central American Programs
- LAC Regional

In **Romania**, USAID promoted an improved enabling environment for entrepreneurs. In 1997, USAID-supported laws governing enterprise development were passed. The Agency also strengthened the capacity of business associations to serve as conduits for training small and medium-size enterprises in financial planning and improved management practices. In 1997, sales by small and medium-size enterprises grew by 43 percent, compared with 30 percent growth in 1996.¹⁴ In **Kyrgyzstan**, despite USAID's efforts to develop the private sector, results in 1997 fell short of targets. The government delayed privatization of some of the largest industrial enterprises and suspended privatization for the nine largest enterprises. As a result, the private sector share of gross domestic product remained at the 1996 level of 78 percent, short of the 80 percent target.¹⁵ However, USAID did achieve

significant results in improving laws and policies in commercial law and trade and investment policy, assisting in the drafting and implementation of 75 key laws and regulations, exceeding the target of 45.¹⁶

In **Russia**, USAID worked with the banking sector. In the initial phase of transition to a market economy, banks proliferated, many with solvency problems. USAID helped strengthen the bankruptcy and consolidation process and make it more transparent. In 1996–97, the number of licenses of insolvent banks revoked by the Central Bank grew from 620 to more than 930.¹⁷ Nonetheless, events in 1998 show that more work is needed.

In **Ukraine**, USAID supported development of a market-oriented private banking sector by providing technical assistance to strengthen the financial

infrastructure: bank supervision, bank accounting standards, electronic funds transfer systems, legal systems, and a collateral registry. USAID assistance to commercial banks helped them become more oriented to the financial needs of the private sector. In 1997, private banks' assets performed better than those of the state banks. The value of the assets of the 10 largest private-sector banks reached 52 percent of that of the state-owned banks (compared with 35 percent in 1995), exceeding the 50 percent target.¹⁸ This improvement in the practices and performance of private commercial banks enabled them to expand their lending to more lucrative private-sector lending opportunities. In 1997, the share of total bank credits going to private enterprises and households reached 49 percent, exceeding the 45 percent target.¹⁹ In 1995 (the baseline year), this figure was only 36 percent.

In **Ghana**, USAID training and technical assistance supported ongoing reforms in trade and investment policy. The Agency helped improve the capacity of private exporters to compete in international markets, contributing to an increase in nontraditional exports from \$227 million in 1996 to \$300 million in 1997, exceeding the target of \$250 million.²⁰ Nontraditional exports, including Asian vegetables, furniture, handicrafts, medicinal plants, and textiles, now make up 20 percent of all export earnings, up from 15 percent in 1996.²¹

In **Uganda**, USAID has played a major role in the growth of the nontraditional agricultural export sector by supporting business planning, facilitation of financing arrangements, marketing

support, and technology transfer. Production of flowers, maize, vanilla, and other nontraditional export crops met program expectations by rising in value by nearly 21 percent in 1996–97, to \$170 million, triple the growth rate of 8 percent in 1995–96.²² This contributed in turn to Uganda's generally strong overall export and economic growth performance.

In **Indonesia**, USAID promoted trade liberalization and increased domestic competition through continued dialog with the government on legal, policy, and regulatory reform. This led to lower tariff rates, lower export taxes and the adoption of key commercial law reforms. The Agency promoted domestic competition through development of small and medium-size manufacturing firms. In 1997, value added by this sector rose by 24 percent (compared with only 7.5 percent in 1994), exceeding the 10 percent target.²³

In **Morocco**, USAID provided assistance to firms employing low-income people in the production, processing, packaging, and transport of almost \$25 million in exports. While exports dropped slightly from 1996 levels of \$26 million, these results exceeded the program target of \$15 million.²⁴ Some \$20 million of those exports were to nontraditional markets (10 percent more than in 1996), and included horticultural products such as capers, green olives, essential oils, herbs, olive oil, red tomatoes, and spices.²⁵

In **Egypt**, USAID technical assistance helped expand and deepen the range of financial services available, and accelerated the pace of privatization. The value of shares traded on the Cairo and Alexandria securities ex-

changes more than doubled over 1996 levels, reaching 24 billion Egyptian pounds (\$7.1 billion), and exceeding USAID's 1997 target of 12 billion pounds.²⁶

USAID programs promoting free trade in **Latin America and the Caribbean** help exporters be more competitive, and help promote the transfer of much-needed technology into the region. USAID support for trade policy reform under the regional Central America Program enabled all Central American countries to significantly reduce their external tariffs, advanced the implementation of World Trade Organization requirements, and increased the number of products eligible for intraregional trade. As a result, intraregional trade increased by 15 percent in 1997 to nearly \$2 billion. The share of intraregional trade to gross domestic product (GDP) exceeded 7.8 percent, meeting USAID's 1997 target.²⁷

In **Peru**, USAID increases small farmers' access to market opportunities by providing them with the technical assistance, training, and access to credit required to improve their productivity and competitiveness. USAID targets the production and marketing of nontraditional exports such as alpaca sweaters, coffee, dry beans, garlic, handicrafts, and natural vegetable dye. The value of exports of these products grew from \$354 million in 1995 to more than \$472 million in 1997, exceeding the \$420 million target. These targeted products are primarily produced by women, who directly benefit from expanded markets.²⁸ The poor saw their real (1994 dollars) per capita incomes reach approximately \$507 in 1997, compared with \$447 in 1994, meeting the

program target. The share of the population classified as "extremely poor" declined from 18.9 percent in 1996 to 13 percent in 1997, exceeding the target of 17 percent.²⁹ An important outcome of this reduction in poverty is that chronic malnutrition among children fell from 26 percent in 1996 to 24 percent in 1997 meeting the 1997 target).³⁰

In **Jamaica**, USAID has provided technical assistance to support the beleaguered Customs Department in implementing management and organizational reforms and increasing customer orientation, efficiency, and transparency. The department increased its tariff revenues by 40 percent in 1997 to \$513 million, exceeding the program's \$443 million target mainly because of the adoption of improved invoice and valuation systems.³¹ USAID activities in infrastructure development, particularly in roads, sanitation, and water, helped leverage more than \$97 million in investments in tourism infrastructure in 1997 (exceeding the target of \$50 million).³² Tourism revenues rose from \$1.07 billion in 1996 to \$1.13 billion in 1997.³³ Despite these results, in 1997, foreign exchange earnings in key agricultural exports and employment in assisted areas declined from 1996 levels and fell short of targets. The USAID Mission concluded that these program results were beyond USAID's manageable interest, given the modest size of the program, and revised its program strategy and expectations for 1998 accordingly.

USAID recognizes the role of information technology in promoting and strengthening critical private markets. Under its regional program for **southern Africa**, USAID promotes a more

integrated regional market by, among other measures, improving telecommunications law and policy and promoting private investment in telecommunications. In 1997 there were 28 licensed telecommunications service providers (one more than in 1996), exceeding the target of 27.³⁴ Throughout **Europe and the new independent states**, USAID has integrated various information technologies into its programs that strengthen private markets.

In **Moldova**, USAID promotes private-sector development by increasing the availability and flow of business-related information services through the NewBizNet business information network. In 1997, more than 310 businesses participated in the network, exceeding the target of 300.³⁵

Encouraging More Rapid and Enhanced Agricultural Development and Food Security

USAID programs supporting *more rapid and enhanced agricultural development and food security* typically encourage policy reform to liberalize agricultural markets, both for commodity and inputs. They also promote crop diversification and production of high-value crops that may be exported or processed by domestic agribusiness. In addition, they facilitate adoption of high-yielding or improved varieties, and promote activities that enhance food security by increasing the availability of and access to food.

In **Kenya**, the Agency promotes the growth of rural incomes by working to increase commercialization of small-holder agriculture. USAID supports

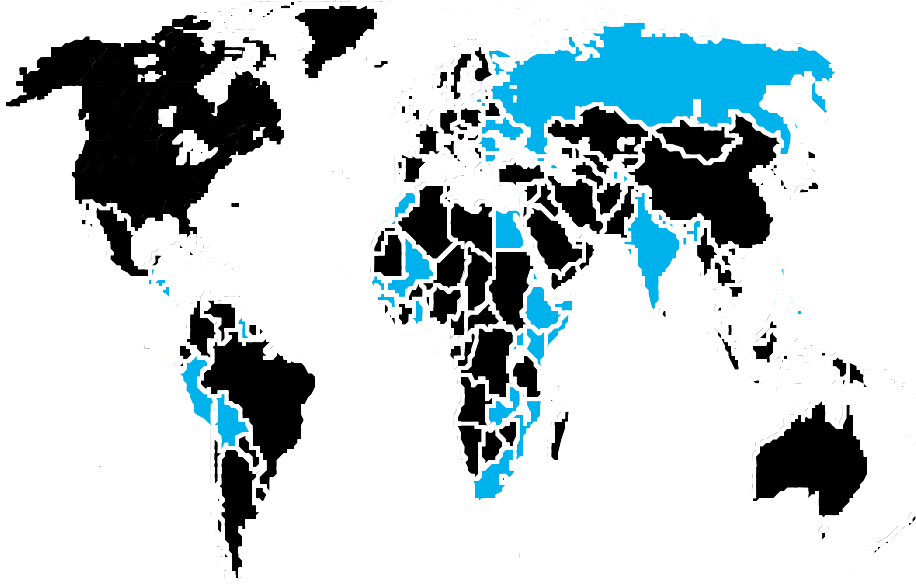
adoption of hybrid seeds, agricultural marketing and export policy reform, and development of marketing and export capacity of associations of producers and exporters. In 1997, smallholders increased the amount of their production that was marketed to 38 percent, up from 24 percent in 1996, exceeding the target of 35 percent. Horticulture exports rose by 24 percent in 1997, exceeding the target of 7 percent.³⁶

In **Malawi**, USAID's program contributes to higher agricultural incomes by promoting adoption of improved crop production and storage technologies and by supporting liberalization of the policy and marketing environment small farmers face. In addition, the program works to expand private-sector agribusiness and transport activities. Farmers increased crop diversification and adopted improved production techniques that will increase their incomes. The share of high-yielding variety seed and fertilizer sold through private channels reached 77 percent for seeds and 70 percent for fertilizer, exceeding the program targets of 55 percent for each. These 1997 results compare favorably with 1996 figures of 74 percent and 57 percent, respectively.³⁷

In **Bangladesh**, USAID promotes improved food security for the poor by working to increase the availability of nutritious food for poor households and increase their incomes through agribusiness development and microenterprise. In 1997, the number of poor households with vegetable gardens and fish ponds producing for local markets grew by 32 percent, reaching 840,000, exceeding the target of 817,000.³⁸ USAID's agribusiness support program contributed to more than 1,900 investments valued at \$68

MAP 1.2

Objective 1.2: More Rapid and Enhanced Agricultural Development and Food Security



Country Programs

Albania	Lithuania
Armenia	Macedonia
Azerbaijan	Malawi
Bangladesh	Mali
Bolivia	Moldova
Bulgaria	Morocco
Egypt	Mozambique
El Salvador	Nepal
Eritrea	Nicaragua
Ethiopia	Peru
Georgia	Philippines
Ghana	Romania
Guatemala	Russia
Guinea	Senegal
Guinea-Bissau	Slovakia
Guyana	Somalia
Haiti	South Africa
Honduras	Tajikistan
India	Uganda
Jamaica	Ukraine
Kenya	West Bank/Gaza
Lebanon	Zambia

Regional Programs

RCSA
 REDSO/ESA
 Sahel Regional
 African Sustainable Development
 LAC Regional

million (compared with more than 2,300 investments valued at \$15 million in 1996), exceeding the targets of 1,100 investments with a total value of \$25 million.³⁹

In **Egypt**, USAID's efforts to liberalize the agricultural sector through policy dialog—particularly regarding the key commodities of cotton and rice—privatization, and agricultural export promotion contributed to an increase in the share of private sector agricultural GDP from 62 percent in 1996 to 74 percent in 1997. They also helped boost growth in overall agricultural production from 3.1 percent in 1996 to 3.4 percent in 1997.⁴⁰

In **Nepal**, USAID supports agricultural development by helping farmers produce and market high-value commodities, including fruits, vegetables, and livestock products. By supporting for-

mation of more than 500 production and marketing associations that provide marketing, nutrition, and technical information to farmers, annual sales of high-value commodities in assisted areas rose from \$15 million in 1996 to \$20 million in 1997, exceeding the program target of \$16 million.⁴¹ About 85,000 women farmers (nearly half of all assisted farmers) were engaged in producing high-value products, compared with 35,000 in 1996. Farmers are using their income from high-value crop production and marketing to purchase more nutritious food, and expand and improve their farms.⁴² Further, about 6,500 small traders, 73 percent of whom are female, marketed high-value products.

In **Nicaragua**, USAID emphasizes market development by helping small and medium-size farmers who produce more than half of agricultural GDP.

The Agency uses farmer service organizations to encourage farmers to embrace new technologies that improve yields and to diversify into nontraditional products. USAID-supported efforts contributed to an 8.5 percent increase in agricultural output in 1997, exceeding the target of 7 percent. Nontraditional agricultural exports increased 28 percent to \$122 million.⁴³ The growth in nontraditional exports led to 23,000 new jobs, of which about 40 percent went to women.⁴⁴ Nicaragua has reemerged as a major exporter of basic grains to other Central American countries.

Similarly, in **Honduras** in 1997, USAID provided training and technical and financial assistance to small businesses, small farmers, and exporters. The Agency concentrated on production and export of nontraditional crops, such as okra and sweet onions. Overall, private-sector employment increased by 10 percent over 1996 levels to 1.5 million people, exceeding the target of 1.4 million. A 16 percent increase in private agricultural employment and more nontraditional exports contributed to this trend.⁴⁵ The number of women employed in the private sector grew by 15 percent, from 390,000 in 1996 to nearly 450,000 in 1997, buoyed by nontraditional and *maquila* (assembly plant) exports. Female employment as a percentage of total employment rose from 28.5 percent in 1996 to nearly 30 percent in 1997.⁴⁶

In **Bolivia**, USAID promotes food security by increasing rural incomes through Title II food programs that enhance agricultural productivity by developing rural infrastructure, including roads and irrigation systems.⁴⁷ Incomes of assisted rural households rose by more than 50 percent from

\$713 in 1996 to \$1,136 in 1997, exceeding the 1997 target of \$749.⁴⁸ The agency also promotes increased access by the rural poor to technological and marketing services. More than 5,300 producers—artisans, farmers, and rural entrepreneurs—received technological services in 1997, exceeding the target of 3,570. This was an almost fourfold increase over 1996.⁴⁹ Nearly 1,200 producers received marketing services, exceeding the 1997 target of 974, a fivefold increase over 1996.⁵⁰

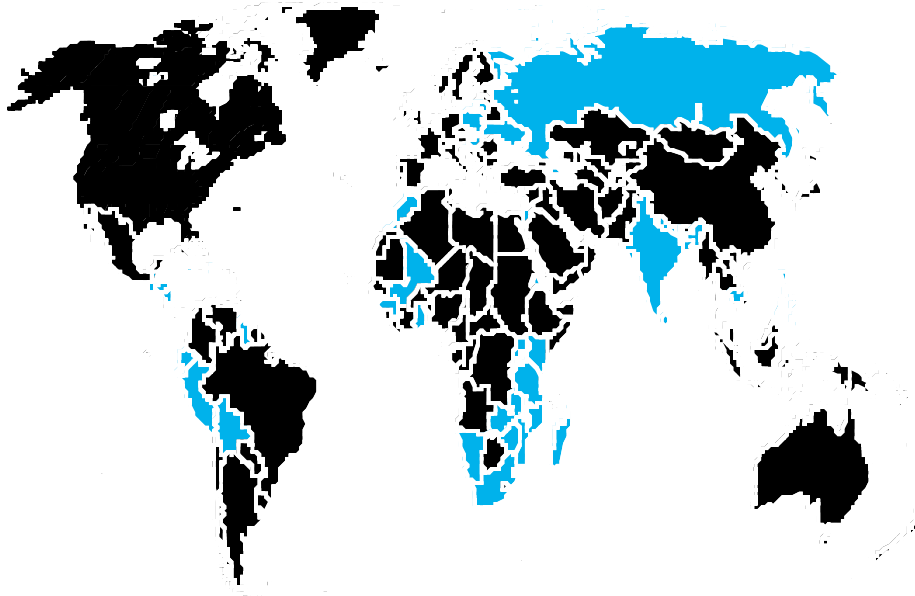
In **Moldova**, USAID supported privatization of state-owned assets. In 1997, 72 large state farms were privatized, resulting in the creation of 3,000 private farms, exceeding the program target. Of those 3,000 farms, nearly 1,300 have registered as new farming enterprises and will benefit from access to credit for fertilizer and other inputs.⁵¹

Expanding and Making Access to Economic Opportunity for the Rural and Urban Poor More Equitable

USAID programs promote *expanded and more equitable access to economic opportunity for the rural and urban poor*. They do this specifically by using approaches that stimulate microenterprise expansion, improve the policy and enabling environment for small farmers and businesses, and increase access by microenterprises to credit and technology. Many programs specifically address improving access of women and other disadvantaged groups to productive resources. The following programs demonstrate the impact of USAID-funded activities.

MAP 1.3

Objective 1.3: Access to Economic Opportunity Expanded and Made More Equitable.



Country Programs

Azerbaijan	Macedonia
Bangladesh	Madagascar
Bolivia	Malawi
Cambodia	Mali
Croatia	Morocco
Dominican Rep.	Mozambique
Ecuador	Namibia
El Salvador	Nepal
Eritrea	Nicaragua
Ghana	Peru
Guatemala	Philippines
Guinea	Poland
Guinea-Bissau	Russia
Guyana	Slovakia
Honduras	South Africa
Hungary	Sri Lanka
India	Tanzania
Jamaica	Uganda
Jordan	Ukraine
Kenya	West Bank/Gaza
Lebanon	Zambia
Lithuania	Zimbabwe

Regional Programs

African Sustainable Development
LAC Regional

In **South Africa**, USAID worked to improve the policy and regulatory environment and increase the capacity of formal financial institutions to service micro and small enterprises. The number of microenterprises accessing loans rose from 16,000 in 1996 to 25,000 in 1997.⁵² Ninety-two percent of all microenterprises receiving loans in 1997 were women-owned. The value of these loans rose from \$4.3 million in 1996 to \$7.4 million in 1997, exceeding expectations.⁵³

In **Uganda**, where overall economic performance has been very strong, nearly 14,000 rural small and microenterprises borrowed under USAID's program in 1997, more than twice the target of 6,000. That represents a dramatic increase over the 1995 level of 3,800.⁵⁴ The average loan size was under \$1,500, and USAID estimates that 70 percent of all borrowers are

women. By contrast, program results in **Tanzania**—where economic performance was quite weak—fell short of expectations. While the level of investment in *urban* small and microenterprises rose from \$0.2 million in 1996 to \$1.7 million in 1997 (exceeding the target of \$1 million), investment in *rural* enterprises fell short of the \$2.5 million target.⁵⁵ As a result, anticipated levels of employment in assisted enterprises fell well short of the 1997 target of 2,700 jobs, and actually dropped from the 1996 figure of 1,800 jobs. However, the absolute increase in rural investment between 1996 and 1997—from \$0.9 million to \$2.0 million—does represent progress.⁵⁶ In response to this performance problem, USAID/Tanzania has taken measures to rethink and redesign its approaches to improving economic growth, and will focus on activities that have a greater chance of success.

In **Jordan**, USAID promotes increased microcredit for women through the formal banking system. In 1997 more than 8,600 enterprises obtained credit (compared with 2,900 in 1996), exceeding the program target of 4,500. Twenty-four percent of all borrowers were repeat borrowers.⁵⁷ In **Morocco**, USAID's Micro Finance and New Enterprise Development Program helped small and medium-size enterprises obtain 25,000 business licenses (5 percent more than in 1996), exceeding the 23,000 target.⁵⁸ About 3,500 small and medium-size enterprises received loans under the credit program in 1997, compared with slightly more than 1,000 in 1996.⁵⁹

USAID continued to achieve impressive results in its microenterprise development program in **Bolivia** in 1997. The number of active borrowers increased from about 130,000 in 1996 to 163,000 in 1997, exceeding the target of 150,000.⁶⁰ Among the 1997 borrowers, 72 percent were women. More than 36,000 permanent jobs were created through these microenterprise investments in 1997.⁶¹ The combined value of loan portfolios of USAID-assisted financial institutions serving the poor increased from \$77 million in 1996 to \$106 million in 1997.⁶²

IV. ACHIEVING DEVELOPMENT IMPACT IN THE FINANCIAL SECTOR

This section takes an in-depth look at how USAID has sought to influence one particular area—the financial sector. The USAID approach to finance builds on decades of learning, both from direct experience and from theoretical and applied research. The first part of the discussion illustrates how developmental thinking and USAID programs evolved over the long term. That is followed by a description of ongoing efforts to maximize impact in two areas, microenterprise development and capital markets development.

Learning From Experience in Financial Sector Programs

The Agency and other development organizations have learned from experience over the long term. The quality of USAID projects and USAID's ability

to draw proper lessons from experience depend not only on evaluation of past projects but also on keeping current with developments in economic thinking, with research on related issues, and with monitoring the actual performance of financial systems and institutions. All three aspects of learning are evident in USAID's changing approach to financial sector development in the past several decades.

One of the earliest studies, which substantially influenced the entire donor community, was a 1972 USAID evaluation of its programs for credit to small farmers. Such programs, usually providing low-interest rate, or preferential interest rate, loans were common during the 1960s. At the time, the belief was that low interest rates were necessary because small farmers could not afford to pay market rates of interest.

The evaluation uncovered two serious problems with preferential interest rates. First, lending institutions were unsustainable because their interest collections could not cover their costs. They gradually became decapitalized and were unable to provide continuing support for the financial needs of small farmers. Second, the subsidy attracted more potential borrowers than could be accommodated with available funding. The usual response of bankers to this excess demand for loans was to find a way to ration available funds. Depending on circumstances, rationing devices included choosing those with the best collateral, those most politically well connected, or those willing to pay the largest bribe to banking officials.

These findings led to further research to substantiate the results and to develop new approaches to small-farmer credit. The research, (much of it carried out by Ohio State University), spurred the creation of a new approach to small-farmer lending that emphasized positive real interest rates, sound financial institutions, attention to the nonfinancial costs of borrowing, and resource mobilization. USAID adjusted its approach to small-farmer lending, and, more broadly, its activity in the financial sector as a whole. Agency policy was changed to prohibit lending at negative real interest rates, and encouraged development of sound financial institutions. The lessons were gradually introduced into USAID programs and some programs of other donors, though other donors were much slower in applying them. A good example of this is the small-farmer credit project in Honduras, which will be presented later in this section.

In 1990, as part of an effort to disseminate this approach and to relate it to

another area of finance, USAID prepared a paper for other donor members of the OECD Development Assistance Committee. This paper, *Development Finance Institutions: A Discussion of Donor Experience*, looked at the experience of USAID and other donors in establishing development finance institutions (DFIs). These had been seen as a means of increasing productive investment by providing long-term finance. Since commercial banks specialized in short-term credit, it was thought that long-term investment was underfinanced. Donors, including USAID, promoted creation of new, usually government-owned, institutions intended to use donor funding and domestic savings to lend money for developmentally oriented investment.

As the paper made clear, experience with DFIs was generally unsatisfactory. Most failed to play the developmental role envisioned for them, and few became financially sustainable. Several factors were at work. First, repayment experience was often unsatisfactory, as projects financed by these institutions frequently failed. Second, the interest rates they charged often were not inflation-adjusted: when inflation rates rose, the institution quickly began to decapitalize. Third, many DFIs concentrated more on channeling donor resources than on mobilizing savings on their own. As donors became disenchanted with them and ceased providing funding, these banks ended up having no resources to lend. A World Bank analysis at about the same time produced similar findings. These difficulties led USAID to change its approaches to DFIs, applying the lessons learned to design and implement more effective programs.

The USAID approach to finance builds on decades of learning, both from direct experience and from theoretical and applied research.

Maximizing the Impact of USAID's Ongoing Programs

• Overview of USAID Activities and Approaches in Financial Sector Development

Current USAID approaches include promoting sound fiscal and monetary policies, strengthening banking institutions and financial markets, and promoting access to credit by the rural and urban poor through agricultural credit and microenterprise lending programs. In 1997, USAID had nearly 80 programs with financial sector components. These programs covered a range of objectives, many of them with multiple objectives.

- Thirty-four promoted increased access by micro, small, and medium-size enterprises to credit and were concentrated in Africa (8), Asia (10), and Latin America and the Caribbean (10).
- Twenty-eight programs, mostly in eastern Europe and the new independent states (21), sought to develop and strengthen private banking institutions to play a key role in financial intermediation.
- Twenty-five programs promoted development of the capital market as an essential complement to the banking sector in channeling savings toward productive investments and in providing efficient mechanisms for corporate governance. Seventeen were in eastern Europe and the new independent states.
- Seventeen programs promoted sound fiscal and monetary policies and fiscal management practices.

- Ten programs sought to promote agricultural development by increasing access by farmers to credit and other financial services. These programs were concentrated in Africa and Latin America and the Caribbean.

The remainder of this section examines the way lessons from experience have been used to increase the effectiveness of USAID programs in two areas of the financial sector: microfinance and capital market development.

• Microfinance

The basic concept behind support for microfinance is simple: poor people have labor and energy to offer but lack capital to increase their productivity. Access to financial services can be valuable to the poor and a highly productive use of donor financial resources.

Despite the attractiveness of microfinance, there are numerous practical problems in providing it on a large scale. Donor management resources are inadequate to provide direct financing. Intermediate institutions are needed and they must have the capacity to overcome the myriad administrative and management problems associated with provision of financial services.

USAID, along with other donor agencies and many nongovernmental organizations, has been experimenting for more than a decade with various approaches to providing microfinance. A 1995 USAID study, *Maximizing the Outreach of Microenterprise Finance: An Analysis of Successful Microfinance Programs*, achieved a wide readership in the development community and helped set the standard for programs by other donors and nongovernmental

organizations. The study concluded that financial self-sufficiency was both possible for microfinance institutions and essential to the rapid growth needed to make their efforts successful.

The most successful institutions concentrated on containing costs and using techniques such as group lending or graduated loans to ensure good repayment. Just as important, successful institutions charged interest rates that were positive in real terms and covered all costs. By producing a profit, such efforts allowed microfinance institutions to tap into nonconcessional funds—such as loans from commercial banks—and to grow rapidly. Typically, their client base increased by 25 percent to 100 percent each year. Such institutions can reach far more poor people than traditional subsidized programs, which require ongoing infusions of funds. The results of the study were incorporated into USAID policy for microenterprise development.

Example: Building Sustainable Microfinance Institutions

A USAID project in Honduras has helped revitalize the entire credit union system there. The system was largely failing when USAID began a project in 1985 to improve small-scale farmers' lives by providing them access to needed services and inputs. Existing credit unions suffered from years of weak management, subsidies, and accumulated debts stemming from cheap donor-driven targeted credit. This situation left many of them insolvent or insecure and dependent on external funding.

Thus, in 1987 the 35 credit unions receiving project assistance had a mem-

bership of 25,887, savings of only \$18.4 million, and loans of \$17.8 million. Loan delinquency rates frequently topped 40 percent. Leadership and management were often poorly trained and demoralized. The national federation was bloated, oriented toward donor handouts, and unresponsive to its owners—the credit unions. The federation showed a long string of operating losses and persistent negative net worth.

To turn this around, USAID worked with the government of Honduras, contributing \$14.6 million in grants and \$3 million in loans over a 10-year period. The aim was to strengthen the management, planning, and capital formation capabilities of member agricultural cooperatives and credit unions. The project provided institutional support in the form of technical assistance and small grants for business improvements, as well as financial stabilization funds to develop a capital base. As a condition of assistance, participating organizations had to be willing to implement far-reaching improvements in practices and approaches, including, but not limited to, market pricing of services, competitive interest rates, financial and accounting restructuring, and mobilization of capital.

By the time the project ended in 1995, membership had more than tripled to 88,000, 43 percent of whom were women. Savings in the previous four years had grown at an annual real growth rate of 10.5 percent to almost \$40 million. The credit unions' share of national savings increased from 5.8 percent to 12.2 percent. The loan portfolio had doubled to \$30 million, reaching 32,858 rural micro and small business and smallholder borrowers. Loan delinquency rates fell dramatically. In addition, a downsized national

federation has become a profitable, well-capitalized financial intermediary for the credit union system. It provides demand-driven, self-financing services to members, including training, insurance, technical assistance, an excess liquidity facility, and a valuable financial inspection and certification service.

An important strategic choice of the project was to rely entirely on savings to capitalize and fund the loan operations of credit unions. Because they had 1) competitive interest rates, 2) efficient and business-based management, 3) applied financial criteria and indicators, 4) computerized systems, and 5) a strong customer service orientation, credit unions were revitalized—developing a credible image—and were very successfully in increasing their market share. An indicator of confidence in the system was the surprising number of nonmembers opening demand deposit and savings accounts in local credit unions. The credit unions brought new people into the formal financial sector—farmers, women, micro and small entrepreneurs, lower salaried workers, and other marginalized Hondurans.

By applying important lessons from previous donor experience in micro-finance, the project demonstrated a number of principles crucial for ensuring system sustainability:

- A real sense of ownership by project beneficiaries who have a personal financial stake and voice in their organizations
- Strong profit incentives for co-op and credit union leadership and management to augment their capital base by competitively and efficiently drawing in and serving clients

- A diversified financial base of rural savers and borrowers within the credit union system, including farmers, which spreads risks and the demand and supply of liquidity across the system.⁶³

• **USAID Capital Markets Projects**

USAID has worked in several countries to promote development of capital markets. One means to avoid crises like the ongoing one in Asia is to broaden capital markets. The Asian countries where the crisis began depended heavily on short-term bank lending. While there were significant problems with lack of transparency in investments, investments made for political rather than economic reasons, and corruption, the crisis might have been lessened had firms used long-term loans and equity investments instead. USAID's central evaluation office, the Center for Development Information and Evaluation, recently reviewed five capital markets projects, in India, Kenya, Morocco, the Philippines and Romania. The purpose was to examine the effectiveness of USAID assistance and to draw conclusions about the value of such assistance for USAID sustainable development goals.

The findings of the study were generally positive, concluding that USAID projects in several countries had been successful. In both India and the Philippines, The Agency's strengthening of governmental regulatory agencies improved the operation of the capital market substantially. In each case, hundreds of millions of dollars of foreign investment were attracted to the country because of the policy and institutional changes the USAID project promoted. At least in part because of the strength-

ening of government oversight of the capital market and increased transparency, both India and the Philippines have been only marginally affected by the Asian financial crisis. In Romania, the USAID-financed creation of a new stock exchange, while a technical success, has not made a significant contribution to Romanian development. The government has failed to privatize firms as rapidly as originally planned, and economic reforms have lagged. As a result, stock market volume has grown but slowly.

Several general findings emerged from the study of USAID efforts to develop capital markets:

- Capital market development cannot simply be left to market forces. Governments must take an active role to create a policy and institutional framework that promotes efficiency. Left to themselves, market intermediaries are likely to create monopolistic arrangements that lead to high transactions costs, an atmosphere permissive of self-dealing and rigged transactions, and insufficient flow of information to potential investors.
- Donor support for strengthening the regulatory framework and institutions is a much more promising avenue of assistance than direct support to individual firms or investment houses.
- A capital market regulatory framework modeled on the U.S. system is appropriate for developing countries. USAID has demonstrated through its success in countries like India, Romania, and the Philippines that it can identify and contract for appropriate expertise to transfer the U.S. model.
- Capital markets projects are best suited to well-managed, rapidly

RESPONSE TO THE ASIAN FINANCIAL CRISIS

Unlike microfinance, where USAID had years to conduct research and experimentation and implement programs, the Asian financial crisis of the past year required immediate response. The Agency needed to decide whether its ongoing programs were still appropriate in light of the changed condition of the recipient countries and whether new initiatives, particularly for poor people, were needed to deal with the consequences of the financial collapse.

Although USAID continues to work to understand and respond to the Asian crisis, several things have become clear. First, the crisis requires an international response; USAID's contribution can only be a modest part. Second, the human suffering from the crisis is large, and the international community needs to act to minimize it. Third, the crisis highlights the importance of the generally sound approaches to financial markets that USAID has supported in Asia and elsewhere. These approaches include strengthening government oversight of financial institutions to prevent the excessive risk-taking and cronyism evident in the crisis, and the development of equity markets to reduce businesses's dependence on short-term borrowing from banks. The vulnerability resulting from excessive debt-equity ratios was responsible for much of cascading collapse of banks and firms in Asia.

USAID is beginning to implement new programs for Asia. The assistance includes emergency food and other assistance to the poorest and most severely affected people and assistance to governments to strengthen their oversight of financial markets. Some governments that previously discouraged assistance in overseeing financial markets now welcome it.

growing economies where existing capital structures are limiting investment, and where firms are actively interested in additional financing. Weak government management of the financial sector, as manifested in inflation, large government budget deficits, and uncertainty about the path of future government policies—all these deter investment. Capital market reforms will not produce growth in a stagnant, poorly managed economy.

- Creation of long-term debt markets is essential to reduce the risk of financial crises like the recent one in Asia. This will require improvements in government policy to eliminate inflationary expectations and reduce crowding out by government. Long-term finance for infrastructure has considerable potential to promote growth and can be supported by innovations in debt markets.

These findings already provide important guidelines for USAID work in

capital markets development. Dissemination of the final report, both in written form and electronically on the Agency's Web site, will provide an opportunity for a wider audience to comment on and react to the findings, and to use them in conceptualizing and designing new projects. The Agency's policy staff will eventually review the report to identify areas where Agency guidance for capital markets projects needs to be modified to ensure maximum impact.

V. CONCLUSION

USAID's economic growth and agricultural development programs help promote economic freedom, raise incomes, and reduce poverty in developing and transition countries. Overall, they continue to perform well and contribute to generally positive economic trends in many countries. In 1997, programs that strengthen markets, enhance agricultural development, and expand access and opportunity to the poor yielded significant results in all regions.

Recent country trends show progress that is generally in line with USAID performance goals. However, the data do not reflect the more recent economic crises in some Asian countries and elsewhere. USAID, other donors, and governments around the world face the formidable challenge of maintaining economic and social progress in developing and transition countries into the next century. The Agency remains committed to the DAC target of a

50 percent reduction in the proportion of the world's population living in extreme poverty by 2015.

USAID's programs in economic growth and agricultural development build on years of development experience and use effective and sound approaches to solving economic problems. The Agency's experience in the financial sector illustrates the synergy between operations, evaluation, research, and policy. Its approaches to microfinance and capital markets demonstrate how a thoughtful economic growth strategy can be appropriately applied to respond to the needs of specific countries and to future economic challenges and crises around the globe. These continued efforts and the widespread adoption and use of these practices should enable the global community to respond to the economic needs of the poor and to help prevent major economic crises in developing and transition countries.

2

DEMOCRACY AND GOOD GOVERNANCE

I. INTRODUCTION

Frequently the evening news features images of citizens taking to the streets to demand basic democratic rights. Cambodia, Indonesia, Kenya, and Nigeria are but a few places where citizens have protested openly—often at considerable personal risk. The road to democracy can also travel other routes. For example, in Bosnia, Liberia, and Mozambique, transitions to democracy began with the end of civil war. In central and eastern Europe and the new independent states of the former Soviet Union, the fall of the Iron Curtain and the collapse of the Soviet Union spurred the shift from authoritarian to more democratic governments.

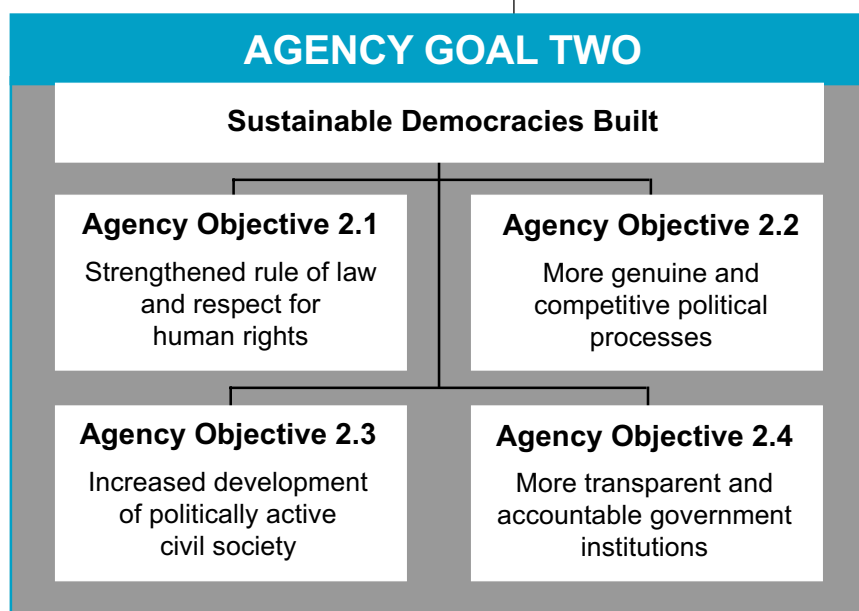
Once a transition is under way, the process of democratization typically encounters obstacles and may stall or even backslide. Often, the institutions and processes that underpin democracy are weak or undeveloped. Moreover, democratic transitions require leaders and citizens to make changes in their behavior and way of thinking. People need to develop values such as tolerance and respect for human rights, as well as an understanding of the responsibilities of citizenship. These changes in political culture are difficult and take considerable time, but are essential for democracy to be sustainable over the long term.

In line with its commitment to establish and nurture democratic institutions, USAID plays an important role in helping countries negotiate these difficult transitions. Democratic institutions create channels for people’s views to be heard, which can, for example, help prevent unrest that can lead to civil war, refugee flows, or other humanitarian

crises. Stronger democratic institutions promote political stability, which can help improve overall conditions for economic growth. Likewise, as citizens and civil society groups gain democratic skills, they can influence other sustainable development sectors, such as education, environment, and health and population.

USAID emphasizes four broad areas under its democracy and governance strategic framework:

- *Rule of law and human rights.* A predictable legal system with a fair, transparent, and effective judiciary protects citizens against the arbitrary use of state authority and lawless acts of organizations or individuals. Improving the administration of justice helps guarantee fair application of existing laws. Together, improved justice administration and a sound legal system ensure that all people, including women and minorities, enjoy equal rights and protection under the law.



- *Credible and competitive political processes.* Free and fair elections contribute to the consolidation of democracy by providing a means for the peaceful transfer of power in accordance with expressed public will. Citizens and opponents to ruling governments have a voice in the political process when they have the opportunity to vote and participate in campaigns and election monitoring. Moreover, by allowing voters to endorse or reject their political leaders, elections encourage governing institutions to be accountable and responsive.
- *A politically active civil society.* One of the hallmarks of democracy is a vibrant civil society. It helps ensure good governance by facilitating citizen participation in and oversight of government actions. Civil society includes a wide variety of organizations independent of the government, such as cooperatives, labor unions, religious groups, business associations, and women's organizations.
- *Transparent and accountable government institutions.* Public accountability, responsiveness, and transparency play an essential role in consolidating democracy. For example, decentralization initiatives, which promote democracy at the local level, encourage broader citizen participation and create mechanisms for addressing community concerns. Strengthening the legislative and executive branches, establishing civilian control over the military, and promoting transparency and ethical standards in government build public confidence in political processes and institutions.

Distribution of Programming

In 1997, 85 percent of USAID's country and regional programs provided assistance to democracy and governance objectives (See annex A: table A2). In response to opportunities to support democracy and good governance, the Agency instituted new objectives or initiatives in **Lebanon, Moldova, Turkmenistan, and Zimbabwe.** Other changes since 1996 reflect progress and setbacks in democratic transitions. For example, USAID discontinued bilateral democracy assistance to **Niger** following a coup and subsequent failed elections. In other countries, such as **Latvia**, the Agency was able to cease its democracy support because the country had made sufficient progress.

Figure 2.1 presents the overall distribution of democracy programming, which changed only slightly from 1996. Support for the development of civil society remained the largest area of assistance. In two regions—**Africa and Europe and the new independent states**—every country's democracy and governance strategy included an element of civil society strengthening.

In the **Africa** region, democracy programming reflects the bureau's belief that the combination of a strong civil society and decentralized political and economic power increases the probability that democratization will be sustained. Yet as civil society organizations grow more assertive, some governments see them as a threat to their authority and try to restrict them. Therefore, while continuing to bolster civil society, USAID helps governments

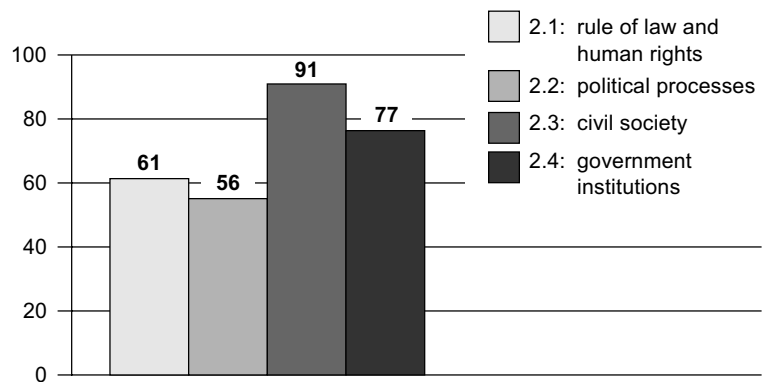
develop more effective ways to meet citizens' needs, so that they can respond to civil society rather than mistrust it. As a result, the Agency increased the number of countries where it supports activities to promote strengthened government institutions from 14 in 1996 to 19 in 1997. This increase reflects USAID's response to decentralization initiatives, which are spreading rapidly throughout the region.

In Europe and the new independent states, democracy programming is intended to speed the transition from communism. In most countries, it combines support for civil society with promotion of stronger government institutions. As in Africa, an increasing number of democracy programs work to strengthen municipal governments' capacity and to encourage increased citizen participation in local decision-making. In 1997, USAID provided election support to more countries in ENI than in any other region.

In much of **Asia and the Near East,** USAID has adapted its programs to work in countries with authoritarian regimes. Most country strategies center on developing civil society. In less free states, the Agency supports citizen groups that press for democratic reform, increased self-governance, and protection of human rights. Where democratic transitions have begun, USAID supports civil society organizations that press for greater access to justice and give a voice to women and disadvantaged people. The number of countries receiving electoral assistance was significantly lower in this region, where authoritarian regimes limit the likely impact of such support.

In Latin America and the Caribbean, the Agency distributes programming more evenly among the four broad areas of the democracy and governance strategic framework. However, rule of law and the protection of human rights remains the largest area of support. USAID provides advice on judicial codes, supports human rights ombudsmen, and works to ensure more effective and fairer administration of justice. The percentage of countries receiving direct support for civil society development was lower.

Figure 2.1
Percentage of Operating Units with DG SOs, FY97
 by Agency Objective



Supplementing the Agency's regional bureaus and individual country programs, technical experts in Washington provide assistance and guidance. These experts are on staff in the Centers for Democracy and Governance, Women in Development, and Development Information and Evaluation. The centers study Agency performance and identify more effective approaches in democracy programming. In addition, the Office of Transition Initiatives in the Bureau for Humanitarian Response implements democracy and predemocracy programs in countries in early stages of democratic transition.

Overview

This chapter reviews USAID's democracy and governance assistance in 1997. Part II, *Country Development Trends and Program Performance*, looks at country-level experience in democracy and governance and the Agency's performance in carrying out its democracy and governance strategic

objectives. Part III, *Highlights*, presents snapshots of results in individual USAID programs in 1997. Part IV, *USAID and Democratic Decentralization*, provides an in-depth analysis of the development theory underlying democracy programming at the local level, results achieved from such assistance, and lessons USAID has learned from its experiences in this new area.

II. COUNTRY DEVELOPMENT TRENDS AND PROGRAM PERFORMANCE

Tracking Overall Progress

While USAID relies on several sources to track the overall progress of democracy and governance worldwide, the primary measure of democratic status is the country score of the Freedom House survey.¹ While Freedom House scores do not provide a *direct* measure of USAID's democracy and governance assistance, they do provide important information on country development trends.

Freedom House has been rating the level of freedom in countries worldwide since 1973. To determine its rating, Freedom House brings together prominent academics and development specialists who assess the level of political rights and civil liberties in each country rated. Criteria include

- *Political rights.* These enable people to participate freely in the political process. They include open elections, real power of elected officials or representatives, the role of opposition groups, the absence of military or foreign control, and access to the policy process for cultural, ethnic, religious, and other minorities.

- *Civil liberties.* This refers to the freedoms to develop views, institutions, and personal autonomy apart from the state. Civil liberties include free media, open public discussion, freedom for civil society to organize and act, an independent judiciary, personal security, guarantees of human rights, and freedom from extreme government indifference and corruption.

Using the average of the scores for political rights and civil liberties, Freedom House gives each country a composite ranking of "free," "partly free," or "not free."

One caveat in assessing these (or any other rating of progress in democracy and governance) is that improvements in political rights and civil liberties occur gradually. Therefore, relatively few countries show changes in their overall rating each year. In addition, small but significant achievements in building or consolidating democracy often do not register in the rating. As a result, Freedom House may not capture the immediate impact of many of the changes USAID seeks to bring about. Finally, many of the factors most likely to contribute to an increase or decline in the overall rating are beyond the influence of USAID or any other external donor.

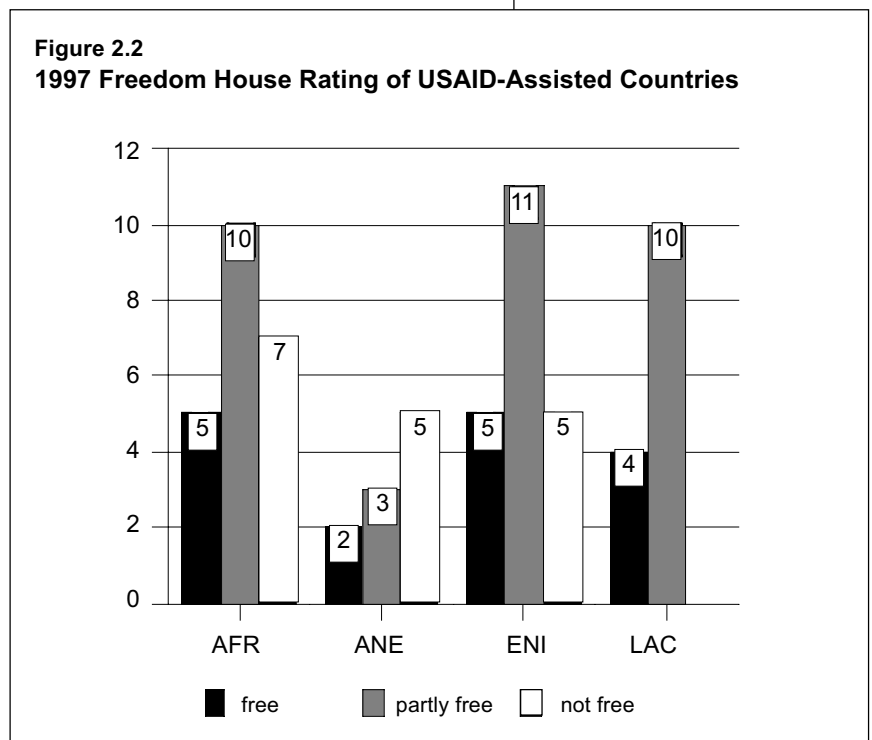
Country Development Trends

As shown in the box at right, on average, the democratic status of USAID-assisted countries improved in 1997. Four countries moved up on the overall Freedom House scale; none declined. The best performance was in the LAC region, where **Honduras** and **El Salvador** improved from “partly free” to “free.” In Europe and the new independent states, **Azerbaijan** moved from “not free” to “partly free.” In Africa, **Liberia** changed from “not free” to “partly free.” The overall classification did not change for any countries in the ANE region.

Figure 2.2 compares the Freedom House ratings of countries receiving USAID democracy assistance. With the exception of the ANE region, countries categorized as “partly free” predominate. This finding indicates that many countries have undergone only a partial transition to democracy. In such incomplete transitions, often the executive branch continues to monopolize power, the judiciary is weak, local government lacks capacity, and the democratic culture necessary for broadened citizen participation is in an early stage of development.

In **Africa**, achievements include the second round of elections in **Ghana** and **Mali**, and long-awaited elections in **Liberia**. Election reforms and an improved election process led to an improved political rights rating for **Kenya**. Similarly, successful elections in Ghana helped boost its civil liberties rating for 1997.

Changes in 1997 Freedom House Rating of Countries with USAID Democracy Assistance			
Change in Overall Freedom House Ranking			
From ‘Partly Free’ to ‘Free’		From ‘Not Free’ to ‘Partly Free’	
El Salvador Honduras		Azerbaijan Liberia	
Change in Political Rights Rating			
Improvement		Decline	
Bolivia	El Salvador	Brazil	Cambodia
Georgia	Honduras	Ecuador	Malawi
Kenya	Liberia	Mali	Peru
Mexico			
Change in Civil Liberties Rating			
Improvement		Decline	
Azerbaijan	Ecuador	Mali	Mexico
Ghana	Liberia	Peru	
Romania	Tajikistan		



The work of building democracy in the region is not complete. To solidify the gains made to date, civil society, in particular, needs to continue to develop and grow stronger.

While such progress is encouraging, the Africa Bureau recognizes that most democracies in the region are hybrids—falling somewhere between authoritarian and democratic. Freedom House data from 1997 reflect this; most countries are rated either “partly free” or “not free.” Even in countries ranked “free,” such as **Benin, Malawi, Mali, Namibia, and South Africa**, governments face serious challenges. For example, when the government of Mali postponed local elections, both the political rights and civil liberties ratings for the country declined. In Malawi, delays in adopting election reform legislation resulted in a decline in its political rights rating.

Europe and the new independent states: The lack of a democratic tradition and the near eradication of civil society in the communist era distinguishes the new independent states of the former Soviet Union from central and eastern Europe. The relatively slow development of democratic institutions and attitudes in the new independent states reflects this difference. By contrast, most countries in central and eastern Europe are approaching a level of democratic development closer to that of Western Europe.

Countries of the northern tier of eastern Europe, such as **Hungary, Lithuania, and Poland**, have made remarkable progress in democratization. Almost all of the northern-tier countries were rated “free” by Freedom House. However, the work of building democracy in the region is not complete. To solidify the gains made to date, civil society, in particular, needs to continue to develop and grow stronger.

In most cases, the challenges to democracy are greater in the southern tier, where government institutions lack capacity, civil society is inexperienced, and the rule of law remains weak. **Croatia** faced the difficult task of addressing the aftermath of ethnic conflict. **Albania** overcame political breakdown and civil strife in 1997 but still encountered periods of instability. By contrast, **Romania** joined the list of “free” countries in 1996 and continued its progress toward democracy in 1997, earning an improved civil liberties rating.

All five countries in the ENI region ranked “not free” by Freedom House (**Belarus, Kazakhstan, Tajikistan, Turkmenistan, and Uzbekistan**) are in the new independent states. The remaining new independent state countries (**Moldova, Russia, Ukraine, Georgia, Armenia, Kyrgyzstan**), ranked “partly free,” continued to face challenges to a fuller transition to democracy. In most of these countries, power tends to be concentrated in the executive branch, and political parties tend to be personality-driven factions disconnected from the body politic. Organized crime and corruption undermine effective governance. In addition, economic woes leave citizens little time or energy for political participation.

Against this backdrop, the new independent states of the former Soviet Union have made progress and suffered setbacks. **Tajikistan** improved its ratings for both civil liberties and political rights, but the more recent breakdown of the peace accord and deterioration of the political situation may undermine those gains. **Azerbaijan’s** rating rose from “not free” to “partly free,” yet high levels of repression characterized elections

in October 1998. **Georgia**, by contrast, has made steady progress, with increases in its civil liberties ratings in 1996 and 1997. Despite continuing economic hardship, the other NIS countries did not register any change in overall ratings.

In the **Latin America and the Caribbean** region, countries have progressed consistently toward democracy. No USAID-supported country is rated “not free.” Most have held multiple elections, establishing norms that help ensure the continuation of democracy. Human rights violations have declined and the underlying conditions for a free and independent press have improved.

However, despite considerable progress, many countries still face major obstacles in their democratic transitions. Perhaps most notable are rising levels of crime and violence, which threaten to undermine efforts to protect human rights and strengthen democracy in the region. Local forces have proved ill equipped to respond to drug-related criminal activity. In addition, a lack of opportunities for the poor to participate in countrywide economic improvements and the failure to disarm and employ ex-combatants have also contributed to rising crime rates and violence. In some countries the military’s role continues to be a matter of concern.

Freedom House ratings confirm some of the difficulties the region faced. **Ecuador** and **Mexico** registered an improvement in one component but a decline in the other. In Mexico, for example, the stunning defeat of the ruling party in its 1997 elections warranted an increase in the political liberties rating. At the same time, the growing role of the military in internal

security, continuing human rights violations, and violence against indigenous groups led to a decline in the civil liberties rating. Other countries in the region also experienced setbacks. Increased violence against the indigenous Indian community in **Brazil** and government pressure on the media and judiciary in **Peru** led to a decline in their political rights ratings.

While **India**, the **Philippines**, and **Sri Lanka** have had substantial experience with democracy, other countries in the **Asia and the Near East** region have historically had less. Some Asian leaders have advocated a system that prizes stability and consensus over democracy and political competition. That view, however, has begun to erode in East Asia as the 1998 financial crisis has highlighted weaknesses in government institutions. **Indonesia** is in the midst of an important democratic crisis, as well as an economic one, with huge possibilities for both failure and success.

Freedom House ratings for the ANE region reflect continued resistance to democratization. Unlike the other three regions, where most countries rank “partly free,” a large number of USAID-assisted countries in this region are classified “not free.” These include **Cambodia, Egypt, Indonesia, Lebanon, and West Bank–Gaza**. Overall Freedom House ratings of countries in the region remained unchanged in 1997. Two countries, **Mongolia** and the **Philippines**, continue to enjoy a ranking of “free,” while **Bangladesh, India, and Nepal** rate “partly free.” Among countries with USAID democracy assistance, only **Cambodia** saw a ratings change. After a coup in July 1997, its score for political rights declined.

Program Performance

In addition to tracking country-level performance, USAID monitors program performance of its operating units. As an integral part of the Agency's management for results approach, USAID Missions in each country develop a country strategic plan with broad strategic objectives. Each objective has specific intermediate results that contribute directly to its accomplishment. USAID monitors performance at both levels.

- **Data for Performance Monitoring**

USAID Missions identify performance indicators to measure progress toward each strategic objective and intermediate result. Regional bureaus review and approve the indicators. An indicator must have two elements: an *annual target* (derived from baseline data) and *actual data* on performance during the year under review. In 1997, Missions were able to report both target and actual data for 53 percent of their democracy and governance strategic objectives indicators. This is a major improvement from 28 percent in the previous year and reflects the efforts of the Agency's Center for Democracy and Governance and regional bureaus to help Missions identify effective indicators and improve data collection.

Performance reporting at the intermediate results level is also important. The Agency monitors it annually. In 1997, 61 percent of the 278 democracy and governance intermediate results had actual performance data against an established target. Of the democracy and governance strategic objectives with full indicator data for 1997, targets were met or exceeded in 83 percent of the cases.

- **Technical Performance Assessments**

The indicator data tell only part of the performance story. To assess Agency program performance in 1998, regional bureaus in Washington completed a detailed technical review of each strategic objective. This review combines analysis of indicator data, qualitative evidence of progress, and performance trends and prospects.

Of 86 strategic objectives in support of the democracy and governance goal, technical reviews by the regional bureaus judged that 15 percent exceeded performance expectations, 64 percent met expectations, and 21 percent fell short of expectations in 1997.²

- **Performance Outcomes and Issues**

Difficult environments—civil strife in **Albania**, political impasse in **Haiti**, strains in relations with the host government in **Colombia**, and the government's failure to follow through with promised actions in **Malawi**—accounted for the failure to achieve some objectives. Program design may also account for unsatisfactory performance in some cases.

Because democracy and governance is a relatively new area of assistance, USAID is continuing to learn from its experience and refine program design. Reviewing 1997 performance, for example, the Africa Bureau found that countries with programs that cover a specific geographic area, or address just one or two of the four broad areas of Agency democracy and governance assistance, performed better than those that attempted to address a broad variety of problems in democracy.

Each bureau takes such conclusions into consideration in making recommendations about how to improve future programming. In Africa and other regions, a number of Missions are redesigning and narrowing the focus of their democracy strategies to address areas where the Agency can have the

most impact and where host country governments show interest in effecting change. Encouraging program synergy across a Mission’s portfolio has also proven effective in bolstering performance. Finally, sharing positive experiences by disseminating best practices also helps improve performance.

III. HIGHLIGHTS

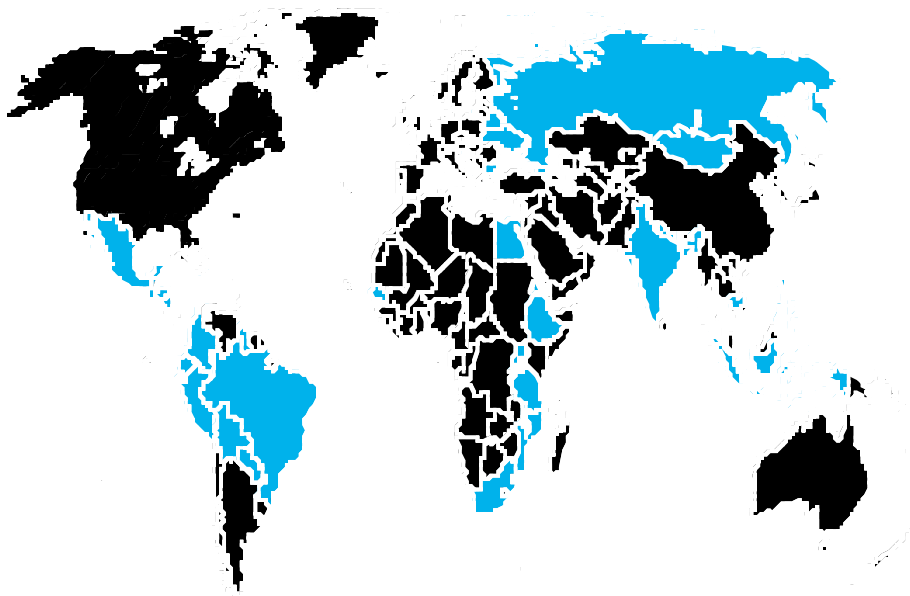
This section provides a sample of USAID’s experience in 1997 in each of the four broad areas of democracy and governance. These results represent the impact of a wide range of activities pursued around the world, including technical assistance to both civil society and governing institutions. Such assistance forms the basis for progress toward democracy and governance goals.

Rule of Law and Human Rights

To strengthen the rule of law and respect for human rights, USAID and its partners help countries formulate and implement legal reforms, improve administration of justice, and increase citizens’ access to justice. They also promote awareness of citizens’ rights. This support includes training for judges and lawyers, creation of legal

MAP 2.1

Objective 2.1: Rule of Law



Country Programs

- | | |
|----------------|----------------|
| Albania | Indonesia |
| Armenia | Malawi |
| Bangladesh | Mexico |
| Belarus | Moldova |
| Bolivia | Mongolia |
| Brazil | Mozambique |
| Bulgaria | Nepal |
| Cambodia | Nicaragua |
| Colombia | Paraguay |
| Croatia | Peru |
| Dominican Rep. | Philippines |
| Ecuador | Russia |
| Egypt | Rwanda |
| El Salvador | Senegal |
| Eritrea | Slovakia |
| Ethiopia | South Africa |
| Georgia | Tanzania |
| Guatemala | Turkmenistan |
| Guyana | Uganda |
| Haiti | Ukraine |
| Honduras | West Bank/Gaza |
| India | |

Regional Programs

- LAC Regional

databases to improve case processing, and promotion of alternative dispute resolution as a method to overcome court backlogs or increase access to justice for the disadvantaged. In addition, the Agency provides funding, training, and organizational support to civil society organizations that promote public awareness of citizens' rights and pressure governments to respect human rights.

Elements of judicial reform are featured in all democracy programs in Latin America and the Caribbean. In the **Dominican Republic**, for example, the Agency funded and helped organize forums and events that highlighted the importance of a transparent, non-politicized selection of Supreme Court justices. Civil society organizations formed a coalition that worked with major newspapers and television stations to press the National Judicial Council to publicly solicit nominations for the new Supreme Court. In response, the Judicial Council held public hearings live on national television. This process culminated with live coverage of the council's vote on the 16 new justices. Twelve of the 16 selected had the support of civil society. Five were women. This remarkably open and transparent process for selecting the Supreme Court was unprecedented in Dominican history.

In the ENI region, establishment of the rule of law has been at the core of efforts to support postcommunist societies' transition to market-oriented democracies. USAID assistance has helped establish judicial systems that are more independent and administer justice more fairly. In **Ukraine**, Agency-funded nongovernmental orga-

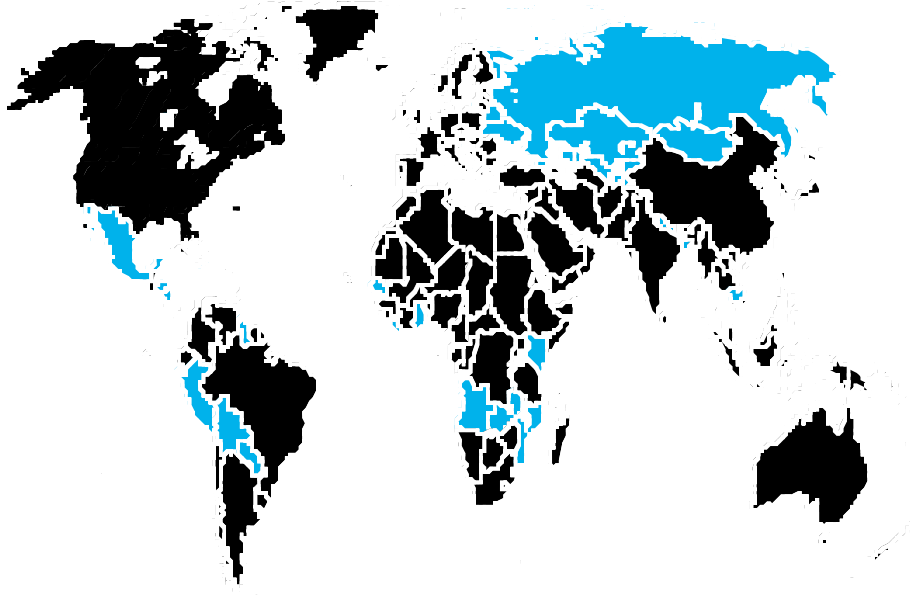
nizations (NGOs) serve as vehicles for public education on legal rights and as sources of test cases for the application of the rule of law. For example, following a legal battle waged by local residents, a court blocked proposals to create a landfill. By demonstrating that sound legal judgments can be used to safeguard citizens' rights, this court ruling helped boost public confidence in judicial institutions.

While judicial systems in ENI have made progress, many problems remain. Difficulties range from continued limitations on judicial independence to inadequate financial support for necessary judicial reforms. In **Russia**, for instance, USAID efforts launched in 1993 to promote a jury trial initiative faltered when the Russian government failed to provide the necessary funding. In 1997 the Agency revised its strategy in Russia, shifting to training lawyers in commercial law, an activity that does not rely on government financial support.

In the Africa and Asia and the Near East regions, USAID provided limited rule of law programming, but achieved important results in 1997, particularly in women's rights. With Agency organizational and financial support, five women's legal rights organizations in **Tanzania** conducted sensitization campaigns through workshops, seminars, and women-only focus groups. At the time, the Tanzanian Parliament planned to enact new legislation that discriminated against women in land inheritance. Following one of these workshops, as part of an effort funded by USAID and other donors, women's NGOs formed a coalition to draw public attention to the weaknesses of the proposed bill. Acknowledging the

MAP 2.2

Objective 2.2: Elections



Country Programs

Albania	Macedonia
Angola	Malawi
Armenia	Mexico
Bangladesh	Moldova
Belarus	Mongolia
Bolivia	Mozambique
Cambodia	Nepal
Croatia	Nicaragua
Dominican Rep.	Paraguay
El Salvador	Peru
Georgia	Russia
Ghana	Senegal
Guyana	Slovakia
Haiti	Tajikistan
Honduras	Ukraine
Kazakhstan	Uzbekistan
Kenya	West Bank/Gaza
Kyrgyzstan	Zambia
Liberia	

Regional Programs

LAC Regional

coalition's concerns and lobbying efforts, Parliament delayed adoption of the bill—a remarkable achievement for the women's groups.

The July 1997 coup and its aftermath represented a clear setback for democracy in **Cambodia**. However, even in these difficult circumstances, ongoing democracy assistance continued to make an impact. For example, at considerable personal risk, USAID-funded NGOs continued to investigate and monitor human rights abuses. They promoted democracy issues and human rights in the mass media and distributed brochures in 19 of Cambodia's 23 provinces. As a result of public advocacy work by one of these groups, for the first time a police officer was suspended and punished for the death of a suspect in jail.

Elections

Successful elections require a certain institutional capacity and citizens who understand the electoral process. USAID and its partners offer advice on election reform legislation and help build the capacity of the electoral administration and election monitors. They also provide training to strengthen the organization and professionalism of political parties and promote civic education to create a better informed electorate and encourage participation of women and the disadvantaged in elections.

In the Latin America and Caribbean region, the Agency has considerable experience in providing elections assistance to help ensure free and fair elections. In **Paraguay**, technical assistance to the electoral tribunal and local

NGOs contributed to the success of the May 1998 elections. In 1997 the electoral tribunal met an ambitious target to add 250,000 voters to the national voter list. To achieve this objective, for the first time NGOs used data collected to target the most disenfranchised segments of the population for registration. To ensure accuracy, the electoral tribunal set up computers for citizens to check the information on the voter list and find their voting location. The tribunal also created a Web site on the Internet. As a result, approximately 80 percent of the eligible electorate registered to vote, 45 percent of whom were women. The Organization of American States and other international elections experts described this process as among the “cleanest” in Latin America.

In many countries in Latin America, free and fair elections have become routine. In other parts of the world, citizens continue to struggle for this basic democratic right. The elections in **Kenya** exemplify the struggle in Africa. In 1997 a wide array of politically active NGOs (many of which were USAID funded) formed a coalition with religious groups and opposition political parties to demand electoral and constitutional reform. In response to this pressure, Kenya’s incumbent government implemented electoral reforms and agreed to discuss changes to the constitution. After four and a half years of delays, this concession was a formidable achievement for the coalition. While the December 1997 election was still flawed, the campaign monitoring group reported less intimidation and greater freedom for people to express their views than during the 1992 campaign.

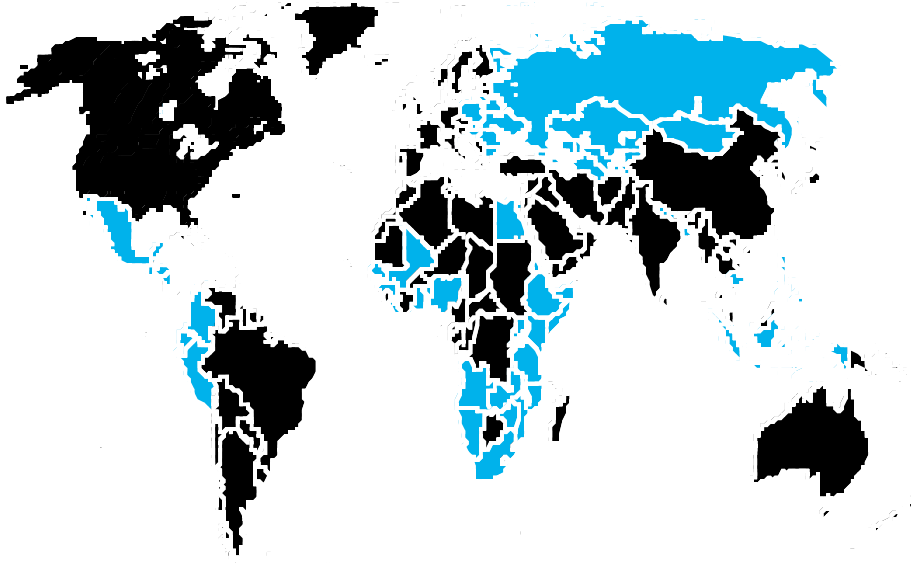
In Asia and the Near East, USAID pays particular attention to increasing the participation of women and the disadvantaged in its election activities. In **Bangladesh**, USAID provided assistance and funding to NGOs working to increase voter awareness through group meetings, mass rallies, radio, television, and village theater productions. As a result of these efforts, 306 members of village-based associations of the poor won seats on local elected bodies (union councils) in the December 1997 elections. This was well above the 1996 baseline of five members and represented more than triple the target of 100. Their election will help ensure that the needs of the poor and disadvantaged are addressed by local government.

In the Europe and the new independent states region, USAID assistance for election reform combines support for the electoral commission with public education and the promotion of domestic monitors and independent media. In **Kyrgyzstan** during 1997, the Agency worked closely with the electoral commission, encouraging it to sponsor the first-ever televised debate between candidates competing in an election. Six candidates vying for one seat participated in a 90-minute debate broadcast on television and radio throughout the country. Televising the debate raised citizens’ awareness of the issues and the electoral process. The candidates described the event as a real example of democracy in action and called for similar debates in future elections.

Not all election support meets with such success. In **Haiti**, USAID provided a modest amount of technical assistance

MAP 2.3

Objective 2.3: Civil Society



Country Programs

- | | |
|----------------|----------------|
| Albania | Malawi |
| Angola | Mali |
| Armenia | Mexico |
| Azerbaijan | Moldova |
| Bangladesh | Mongolia |
| Belarus | Mozambique |
| Benin | Namibia |
| Bulgaria | Nepal |
| Cambodia | Nicaragua |
| Croatia | Nigeria |
| Dominican Rep. | Peru |
| Egypt | Philippines |
| El Salvador | Poland |
| Eritrea | Romania |
| Ethiopia | Russia |
| Georgia | Rwanda |
| Ghana | Slovakia |
| Guatemala | Somalia |
| Guinea | South Africa |
| Haiti | Tajikistan |
| Honduras | Tanzania |
| Hungary | Turkmenistan |
| Indonesia | Uganda |
| Kazakhstan | Ukraine |
| Kenya | Uzbekistan |
| Kyrgyzstan | West Bank/Gaza |
| Liberia | Zambia |
| Lithuania | Zimbabwe |
| Macedonia | |

Regional Programs

- RCSA
- Sahel Regional
- African Sustainable Development
- LAC Regional

and training to the Provisional Electoral Council before the local elections in April 1997. Even with this support, voter turnout was only 5 percent, far below the 45 percent baseline from the 1995 elections. To address the problem of disengagement of citizens, the Agency implemented new pilot programs to better inform citizens about their rights and responsibilities. The programs provided input on ways for citizens to increase their access to elected officials. USAID also initiated training for political party leaders to help them engage their constituents in developing meaningful platforms.

Civil Society

Civil society organizations are key actors in democratic political systems. Worldwide, they serve as public advocates, participate in policy debates, and provide services. Many civil society organizations tackle controversial issues such as government corruption, exploitive labor practices, destruction of the environment, and equality for women and the disadvantaged. Others help citizens find their own solutions to problems, rather than relying on government action. By forming associations and coalitions, civil society organizations share their experiences and enhance their potential impact on national policy.

USAID not only provides direct funding to civil society organizations, but also works with them to enhance their ability to flourish on their own. USAID-supported training helps civil society organizations gain necessary policy analysis skills, develop well-grounded proposals, articulate demands, and enhance their financial viability. The Agency also sponsors civic education programs to ensure broader public understanding of democracy and provides training to journalists on more effective reporting and investigative techniques.

In **Nigeria**, for example, USAID promotes coalitions, networks, and partnerships among NGOs. In 1997, local citizens' organizations formed a coalition to advocate against traditional practices degrading to women. Efforts by the coalition brought about a reduction in the compulsory mourning period for widows from one year to six months in one state and a ruling that widows could inherit their late husband's estate in another. Massive public awareness campaigns and the activities of legal clinics established under USAID's democracy and governance program led to a landmark judgment in favor of women's inheritance. In a heavily patriarchal society, this development was revolutionary.

Growing civil society influence provides evidence of the progress of democratization in other parts of Africa. In **Mozambique**, USAID worked with both civil society and the legislature to improve community outreach. In 1997 the legislative report on a proposed land reform law contained many references to points raised by civil society groups that had united to influence the legislation. The inclusion of their con-

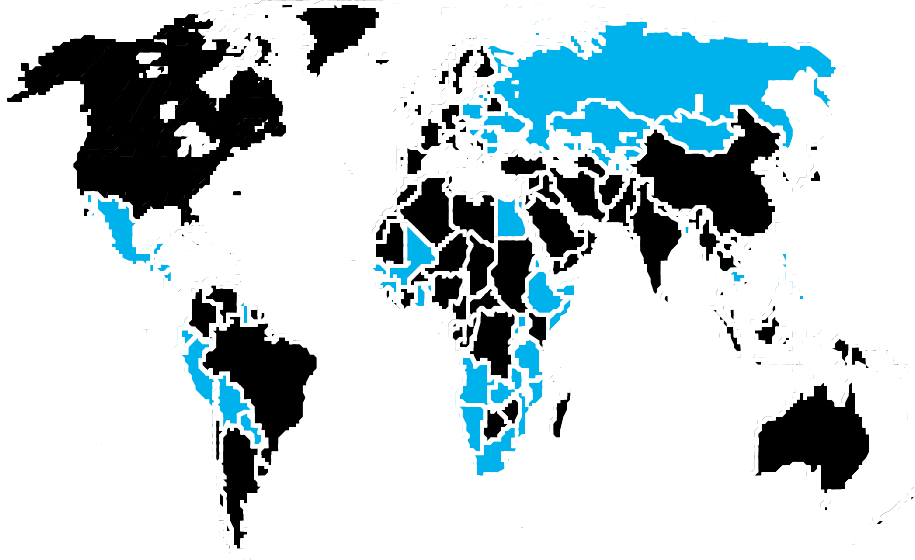
cerns confirmed the impact of civil society on this important issue, demonstrating that citizens can influence the policies that affect their lives.

The Europe and the New Independent States Bureau views the strengthening of civil society as key to the long-term success of transitions to democracy. In 1997, civil society organizations achieved notable success in **Romania**. USAID helped more than 425 NGOs form a national coalition that successfully advocated enactment of a new sponsorship law. This law provides tax deductions for individual contributions to NGOs, increases the tax deduction for corporate contributions, and provides tax concessions for radio and television stations that air public-service announcements for NGOs. Encouraged by this success, these NGOs have developed another coalition to advocate passage of more comprehensive NGO reform legislation.

In the Asia and the Near East region, civil society programming supports NGOs that advocate on behalf of women and the disadvantaged. In the **Philippines**, USAID helped bring together coalitions to heighten the impact of their participation in the public-policy arena. In 1997, Agency-supported indigenous ethnic groups came together for the first time to provide input on the proposed Indigenous People's Rights Act. Before signing the law in October 1997, both the House and the Senate addressed the issues raised by the ethnic groups. Passage of the act fulfilled a long-standing constitutional mandate to recognize indigenous peoples' cultural, political, and economic rights.

MAP 2.4

Objective 2.4: Government Institutions



Country Programs

- Albania
- Angola
- Bangladesh
- Benin
- Bolivia
- Bulgaria
- Cambodia
- Dominican Rep.
- Ecuador
- Egypt
- El Salvador
- Eritrea
- Ethiopia
- Georgia
- Ghana
- Guatemala
- Guinea
- Guyana
- Haiti
- Honduras
- Hungary
- Kazakhstan
- Kyrgyzstan
- Lebanon
- Lithuania
- Macedonia
- Malawi
- Mali
- Mexico
- Moldova
- Mongolia
- Mozambique
- Namibia
- Nicaragua
- Paraguay
- Peru
- Philippines
- Poland
- Romania
- Russia
- Rwanda
- Slovakia
- Somalia
- South Africa
- Tajikistan
- Tanzania
- Uganda
- Ukraine
- Uzbekistan
- West Bank/Gaza
- Zambia

Regional Programs

- Sahel Regional
- African Sustainable Development
- LAC Regional

USAID pursues fewer direct civil society strengthening activities in the Latin America and Caribbean region. Instead, civil society strengthening is incorporated into other democracy objectives, such as reform of judicial and electoral processes. In **Peru** the Agency funded a civic awareness activity in which an NGO provided survey data and other information to the Women’s Commission in Congress and the Ombudsman’s Office of Women’s Rights. This material contributed to the passage of legislation mandating that at least 25 percent of the party lists of candidates for town council and the Congress be women. This decision increases the likelihood of women being elected to public office.

Government Institutions

USAID recognizes the need for an appropriate balance between building demand for change through strengthened civil society participation and creating the institutional capacity that enables government institutions to respond to those demands. To help strengthen government institutions, USAID provides training to members of the executive and legislative branches at the national and local levels. In addition, the Agency promotes greater understanding between civil society and governing institutions during training sessions. It also organizes exchanges that bring civil society groups and decision-makers together.

Efforts to improve transparency and participation in formulating and implementing government policies are not always successful.

USAID works to improve the decision-making capacity of legislatures in all four geographic regions. Following training from USAID, parliamentary committees in **Namibia** have increased the number of public hearings. In 1997, 42 percent of the bills considered received public comment, well above the target of 25 percent. The National Assembly used this input to shape amendments to eight of the nine bills reviewed in 1997. In addition to promoting citizen participation in 1997, the National Assembly asserted its oversight role by amending the national budget for the first time.

In 1997, with technical assistance from USAID, **Guatemala's** Congress made significant progress toward modernization and meeting legislative requirements mandated by the recent peace accords. The accords require the drafting and passage of 14 constitutional reforms and about 200 laws. This is especially daunting, as nearly two thirds of the 80 representatives are first-time legislators. In 1997, through a modernization plan, Guatemala's Congress established technical assistance and independent budget analysis units. The technical assistance unit completed 68 legislative studies, which was more than double the target of 30. These provided information necessary for developing and enacting the new laws and identifying areas where *no* new legislation was needed.

USAID efforts to strengthen government institutions also address improving transparency and accountability. In **El Salvador**, USAID helped the

independent audit agency improve its ability to conduct and enforce audits. As a result, this agency adopted a more aggressive auditing program to tackle government corruption. In 1997 it completed 286 audits, a significant increase from the 75 conducted since the program began in 1995. The number of audits performed and wider dissemination of audit findings underscored the agency's commitment to greater transparency in public finance.

Efforts to improve transparency and participation in formulating and implementing government policies are not always successful. In **Malawi**, limited government support and lack of agreement about project objectives undermined progress toward increased government transparency. Accordingly, USAID ended this component of its democracy strategy.

Support for democratic decentralization is another significant component of USAID work with government institutions. Results from 1997 illustrate some of the significant progress made in this new area. In **Poland**, all but one of the major political parties advocated decentralization during the 1997 elections. USAID supported this view during the campaign. The election brought a new coalition to power that has pledged to promote local autonomy, introduce additional elected positions at the local level, and increase local control over the budget. The new leadership turned to USAID for continued support in achieving these objectives, and as a result, the Agency upgraded its expectations for improvements in the policy and legal framework of local government.

A critical aspect of decentralization is ensuring that local governments have sufficient funds to carry out their mandates. In **South Africa**, USAID helped the government of the Northwest Province implement a revenue collection program that increased local income, decreasing the province's dependence on central government revenue sharing. Three other provinces have now expressed interest in replicating the system.

In 1997 the National Association of Mayors in **El Salvador** achieved its first major policy success. A broad-based coalition of mayors lobbied to secure passage of a law granting a fixed 6 percent budget transfer from the central government to municipalities. Encouraged by this achievement, the association is pressing for other items on its policy reform agenda, such as broadening local taxing authority, strengthening citizen participation, and improving relations with the private sector.

By contrast, efforts to increase participation in rural government in **Egypt**

fell short of expectations because leaders in Cairo were reluctant to transfer meaningful authority to lower levels. Despite this, USAID found that many Egyptians want to become more actively engaged in development at the village level. An independent review commissioned by USAID stressed the value of pursuing such increased participation. It concluded that the Mission needs to adopt more realistic targets for helping the government transfer authority.

USAID support for democratic decentralization can also be seen in the Agency's participation in the 1997 Summit of the Americas. USAID's LAC Regional Office helped ensure that decentralization was on the summit agenda. This effort culminated in pledges by the governments in attendance to strengthen municipal and regional administrations. The plan of action adopted includes commitments to increase citizen participation in local decision-making, improving local access to revenue, and evaluating the possible transfer of additional government functions to local governments.

IV. USAID AND DEMOCRATIC DECENTRALIZATION

This section examines democratic decentralization, an area where USAID is breaking new ground in responding to the opportunities and challenges that have arisen since the end of the Cold War. The discussion illustrates how USAID activities on the ground can contribute to a country's overall democratic development. It is based largely on a recently completed evaluation of democratic decentralization (also known as democratic local governance)

by USAID's Center for Development Information and Evaluation (CDIE). The evaluation looked at democratic local governance in Bolivia, Honduras, Mali, the Philippines, Ukraine, and Karnataka state in India.³

For decades, decentralization has been a central facet of development activity, for both USAID and other donors. Donors generally selected projects in traditional rural and urban sectors that

they believed would benefit from decentralization, such as irrigation, potable water and sewage, and maternal and child health. As the Cold War wound down in the late 1980s and countries around the world became increasingly interested in decentralization, USAID took the lead in emphasizing democratic principles and practices in local governance. During the 1990s the Agency pioneered a new approach, blending key elements of democratization and decentralization. Over the years, democratic decentralization has come to be understood as the transfer of meaningful political power to local bodies that are accountable and accessible to local citizens, who enjoy full human and legal rights and political liberty.

This approach reflects the Agency's concerns that confining efforts to build democracy to the national level is not likely to result in sustained change. Democratic decentralization helps local political leaders and government officials be more effective, responsive, and accountable. At the same time, it provides vastly increased opportunities for citizens to be involved locally. At the local level, politics is more understandable, issues affect people more directly, and access to government is easier. In short, building democracy through democratic decentralization has been shown to be full of potential to help leaders and citizens make the transition from center-based, exclusive, and directive regimes to governments that are pluralistic, inclusive, and representative.

Since 1990, USAID has launched more than 60 projects with a primary goal of facilitating democratic decentralization. The majority of these began during 1991–95. By the end of 1997, the

Agency provided support for democratic decentralization activities in more than half the countries with democracy and governance programming. That support is spread across the Agency's four regional bureaus. It includes small and large countries and typically is closely coordinated with related efforts sponsored by the World Bank, European Union, United Nations Development Program, Inter-American Development Bank, and other donors. USAID's Latin America and the Caribbean and its Europe and New Independent States Bureaus are the most active in democratic decentralization programming, with more than 40 projects between them.

The USAID Experience

USAID democratic decentralization efforts have resulted in significant accomplishments at the local and national levels. These include increased citizen participation; improved local government effectiveness, responsiveness, and accountability; and the devolution of political power and authority from central to local governments. At the same time, Agency experience shows formidable obstacles to sustained progress. Because democratic decentralization is a new area of USAID programming, it is too early to gauge its long-term impact on either building sustainable democracies or development writ large.

- **Increased Citizen Participation**

Decentralized government authority enables more people to get involved in the politics that affect them and helps make government more accountable by introducing citizen oversight and

control through local elections. If democracy lies in rule by the people, democratic decentralization helps make that rule more direct, immediate, and productive. In the countries studied, CDIE found impressive examples of increased citizen involvement with their local governments.

USAID's Municipal Development project in **Honduras** has helped advance public involvement in local governance. The project's goal is to bring about "more responsive democratic processes with greater citizen participation" by encouraging "more responsive and effective municipal government." To accomplish this, elected local officials and municipal employees received technical assistance and on-site training from private sector intermediaries rather than central government agencies. Mayors have learned the importance of holding town meetings where citizens can actively engage in public discussion of municipal goals and issues. The mayor of Puerto Cortés, for example, will consider local development proposals only after they are discussed in open meetings. Interestingly, because of this policy there has been little negative response from citizens when improved public services have come with higher user fees.

In **Mali**, USAID supported a pilot regional study and mobilization groups in three localities. These and similar groups throughout the country were central to the government's remarkable success in informing citizens about decentralization and making them stakeholders in it. The groups organized public meetings and information campaigns to explain the government initiative and solicit people's input. Building on this, the groups played a

critical role in directly involving the people in determining the composition and seat of government for each of the country's new local government units. As a result, the existing 270 *arrondissements* were reconfigured into 701 new *communes*—an exercise that may well be Mali's most successful attempt thus far to combine democratization with decentralization.

- **Improved Local Government Effectiveness, Responsiveness, and Accountability**

As democratic decentralization has brought more people into the political process for the first time, it has also helped local governments become more effective, responsive, and accountable. Local governments that come to see themselves as genuinely accountable to their citizens are more likely to pay attention to citizens' wants and needs. Similarly, as local governments become more transparent, it is easier to monitor their performance. The CDIE evaluation found ample evidence of these developments in the countries examined.

In **Ukraine**, USAID's pilot Municipal Finance and Management project helped bring about remarkable changes in three city governments. The mayors of these cities have made great strides in opening up budget processes that were previously entirely removed from public scrutiny. Since 1995, one mayor has successfully engaged the public in the annual budget process by holding televised public hearings, convening focus groups, and having detailed budget information published in local newspapers. After seeing the positive results of these practices, mayors of other cities began to involve the public in their budget process, as well as in

Many decentralization schemes foundered because national political leaders did not want to let go of their power. USAID has worked with host country governments to help them avoid these and other pitfalls.

other government matters. In two of the three pilot cities, governments are publishing public annual reports for the first time. In one city the report was initially modeled after those its mayor saw on a project-sponsored study tour of American cities.

The Municipal Finance and Management project also helped city governments become more efficient and effective, since public support for them is closely tied to their ability to deliver basic services and respond to people's needs. Toward these ends, office equipment has been upgraded, communication and information systems have been modernized, staff have developed new skills and improved their overall capabilities, and services have been improved. In one city, a major reform of its personnel system introduced such "modern" business practices as competitive hiring, job descriptions, and probation periods for new hires. In another city, a number of electric trolley buses in its aging fleet were renovated, increasing the total number of buses in service by one third. "This helped us survive the winter," the bus company director told USAID evaluators. It was an important accomplishment, given public reliance on buses and the perception that the previous regime almost always met these needs satisfactorily.

USAID-assisted cities in other countries are experiencing similar successes. In the **Philippines** the Governance and Local Democracy project worked to "establish effective local governments with maximized citizen participation." USAID contractors helped local offi-

cials and citizens organize workshops to generate community development proposals. In these, local government officials, NGO leaders, national association representatives, and members of the business community gave high priority to projects involving computerized property tax assessments, management of water and power systems, and environmental management systems. In one project city, this highly participatory and inclusive planning process led to the enactment of a solid waste ordinance, incorporation of workshop priorities in the 1997 city budget, and establishment of neighborhood day-care facilities.

- **Devolving Political Power From the National to the Local Level**

In the past, many decentralization schemes foundered because national political leaders did not want to let go of their power and local elites captured most of those few benefits that were passed down. USAID has worked with host country governments to help them avoid these and other pitfalls. In many cases, policy dialog is crucial. In **Honduras**, for example, USAID Mission staff worked closely with host country officials on essential municipal reform legislation.

In other cases, the Agency has developed projects to support democratic decentralization initiatives as host country governments were enacting them. As **Bolivia's** Popular Participation Law was being finalized in 1994, USAID was preparing the Democratic Decentralization and Citizen Participation project to support it. When the government formally requested donor assistance for the new law, the Agency

was already on the way to authorizing the project, and contractors were able to begin work on it rapidly. In the **Philippines**, a year before the Local Government Code was enacted in 1991, USAID began its Local Development Assistance Program—a joint undertaking with the government that helped decentralize government functions, increase local governments’ autonomy and authority, and broaden citizen participation in local governance.

A significant USAID accomplishment has been to support advocacy for local autonomy by associations of municipal leaders in **Honduras**, **Ukraine**, and the **Philippines**. With USAID support, the Ukraine Association of Cities, which counts more than 225 mayors among its members, played an important part in establishing the legal basis for local self-government in Ukraine’s June 1996 constitution. Since then, the association has been working with the country’s president and parliament on drafting laws needed to implement the constitution’s general principles on local government including, most notably, legislation to firmly establish fiscal independence for local governments. Beginning in 1996, the association took the unprecedented step of publishing regular pieces in the parliament’s newspaper under the title “Ukraine Cities: Yesterday, Today, and Tomorrow.” Read widely by opinion-makers and those interested in legislative policy, this newspaper offered an excellent way to educate government officials and the public about local government issues.

- **Obstacles and Problems**

While USAID democratic decentralization efforts have generally had positive effects, there have been numerous

obstacles that hinder building on those achievements. There are at least three major challenges most countries face: bureaucratic and political resistance, institutional and attitudinal vestiges, and lack of resources.

In **Honduras** the 1990 Municipal Reform Law has stimulated significant political and bureaucratic opposition, partly because central bureaucracies feared transferring authority and resources to municipal governments. At least one ministry has tried to assert the right to approve certain types of municipal expenditures; another has resisted municipal government efforts to obtain credit for local infrastructure development.

In the political arena, because the 1990 municipal reforms require the Honduran Congress to devolve much of its control of municipal finance to the local level, many members view the newly empowered mayors as rivals. Congressional resistance is evident in members’ unwillingness to transfer more than 1.5 percent of the national budget to municipalities, even though the law calls for 5 percent. Members of Congress have also proposed waiving back taxes owed municipalities and prohibiting property taxes on the poor—measures that would seriously damage most local governments’ revenue base and make them more dependent on central government funding.

In **Ukraine**, institutional and attitudinal vestiges of the Soviet era are major obstacles, since most political leaders and government employees are holdovers from the previous regime. Many are constrained by past policies and procedures and continue to think and act as they did under Soviet rule. The

difficulty created for local governments is illustrated by the revenue situation confronting the electric trolley bus company mentioned previously. Because operations are funded partly from fares and partly from city subsidies, one of the company's priorities has been to increase passenger revenue. However, the most obvious strategy—to increase fares—has proven difficult. The regional government sets the rates and there are so many categories of exemptions that 40,000 of the city's 250,000 inhabitants ride free. Any change to the *local* fare structure requires action at the *national* level.

Inadequate resources are also a major issue for every country receiving USAID democratic decentralization assistance. In **Mali's** 19 operating urban communes,⁴ elected mayors have been expected to do much with little revenue. For example, they are responsible for repairing property damage caused by the country's 1991 revolution and continuing episodic civil unrest. Yet one municipality was left without its entitled revenue because the national government, fearing further civil unrest, stopped enforcing tax collection.

Once elected, mayors of **Mali's** new communes will likely face even harsher resource dilemmas. To illustrate, one rural municipality has 15,000 inhabitants spread among 10 villages. The 5,000 taxpayers contribute \$30,000 in municipal revenue. Taxes from other sources yield another \$10,000, composing a total budget of \$40,000. Day-to-day government expenses aside, the municipality could not even build a three-classroom school without exceeding its revenue resources, since the cost of one classroom is \$14,000.

Lessons Learned

Decentralization is a powerful tool for promoting democratic governance because it seeks to empower local governments countrywide while enabling more people to participate in the government decisions that affect their lives. More specifically, individual country experience shows that democratic decentralization can help

- Disperse political power and authority more broadly and change the balance of power between the central government and local government units
- Narrow the distance between constituents and elected representatives
- Make local government more open, responsive, and accountable, and increase its efficiency and effectiveness
- Increase political involvement of individuals and groups and facilitate better public understanding of government's role and responsibility

In addition to promoting democratization and good governance, democratic decentralization can support sustainable development in other sectors by

- Encouraging countries to root outlooks and practices in local experience for sectors such as economic growth, and health and population
- Providing mechanisms at the local level for resolving public-private differences

- Promoting more effective and responsive basic government services by locating the authority and responsibility for them closer to the customers who pay for and use them

In sum, democratic decentralization holds considerable promise and appears well worth USAID's effort. In countries such as **Bolivia, Honduras, the Philippines, and Ukraine**, where the central government used to control all aspects of local government, many municipalities are successfully managing city services, setting agendas, and increasing their resource bases. In addition, more and more citi-

zens are participating actively in local government and holding officials accountable for their actions—in many cases, for the first time.


However, given the newness of democratic decentralization programming and the formidable challenges it faces, it is premature to judge its effect on a country's overall democratic and sustainable development. While the promise is there and initial accomplishments are encouraging, only time will tell how democratic decentralization programs will affect the countries where they are being implemented.

V. CONCLUSION

In 1997 USAID efforts to promote democracy and good governance resulted in numerous significant accomplishments and some setbacks. Agency democracy and governance programs clearly benefited the everyday lives of people around the world. USAID-assisted organizations and individuals influenced government decisions that directly concerned them. Agency programs showed governments how to improve their judicial systems and respect the need to protect basic human rights. The number of free and fair elections continued to grow, giving citizens a voice in choosing their political leaders. In addition, USAID support for democratic decentralization helped local governments become more responsive and accountable and helped citizens increase their understanding of and participation in local governance.

Because democratic transitions are typically difficult and often tenuous, Agency democracy and governance efforts also experienced setbacks and reversals in 1997. Events in **Cambodia and Belarus** provide stark reminders that the progression to democracy can be easily interrupted. In the same vein, USAID democratic decentralization programs met with formidable obstacles, from bureaucratic and political opposition to institutional and attitudinal vestiges of prior regimes. These and other problems threaten continued progress in Agency efforts.

Even with these difficulties, USAID's overall record of accomplishments in democracy and governance in 1997 is one of success in assisting countries with their democratic transitions. By emphasizing rule of law and human rights, political processes, civil society,



and government institutions, Agency programs are helping establish and nurture the culture and institutions necessary to democracy. As the USAID Administrator and a State Department colleague noted in a recent *Foreign Affairs* article,

Building democratic culture and institutions is worthwhile not because it is easy, but because the

long-term rewards—increased stability, prosperity, and enrichment of the human spirit—make it worth the effort.

With millions of people around the world continuing to view democratic government as the model for their own countries, USAID can do no less than strive to help them achieve this end, as it did in 1997.

3

HUMAN CAPACITY DEVELOPMENT

I. INTRODUCTION

Education is crucial to growing up in the modern world. Without a decent education, children become adults with limited opportunities. In poor countries, improved education leads to faster and more sustainable economic and social development and contributes to the emergence of strong democratic institutions. In 1997, in recognition of education's importance to development, USAID elevated it to the status of an Agency goal: human capacity built through education and training.¹ The goal encompasses Agency objectives in *basic education* and *higher education*.

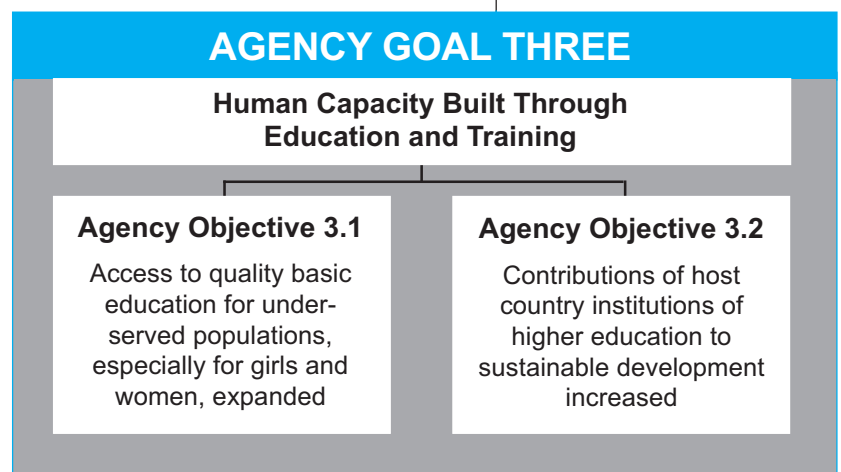
This chapter briefly examines the linkages between education and USAID's other goals and summarizes the Agency's approaches to improving basic and higher education. Section II identifies challenges to educational progress in different regions, reviews indicators of progress in educational development, and examines the performance of USAID education program efforts in 1997. Section III highlights representative USAID education programs. Finally, section IV summarizes the findings of an evaluation of recent USAID efforts to improve educational prospects of girls. The evaluation provides a wealth of evidence and analysis on the effectiveness of different approaches to improving girls' education, with strong implications for improving future USAID program efforts.

The Strategic Framework

• Basic Education

USAID works to *expand access to quality basic education for underserved populations, especially for girls and women* (objective 3.1). The Agency places special emphasis on expanding and improving primary education, while supporting preprimary and lower secondary education where conditions warrant. The objective also includes literacy programs for adults and out-of-school children.

Effective and widely accessible basic education contributes to sustainable development in several ways. First, a decent basic education provides students with core literacy, numeracy, and problem-solving skills. With these skills, students become more productive and adaptable once they enter the labor force, and, as a result, they earn more money. They also gain better access to higher paying jobs in emerging industries. Improved lifetime earnings represent the most tangible payoff to the investment governments and families make in education. In coun-



tries with appropriate economic policies, access to basic education contributes substantially to progress in reducing poverty, both by boosting economic growth and by ensuring that the benefits of growth are broadly shared. Public funding of basic education can help break the cycle of poverty by giving children of the poor access to the core skills they need to escape poverty. Partly for this reason, almost all governments accept responsibility—at least in principle—for providing all children access to basic education. Most choose to provide that education directly.

Basic education also leads to improved child care and reduced child mortality. Better educated parents do a better job of meeting the health and nutritional needs of their children and provide better support for their own children's education. As a result, basic education encourages a shift to healthier, better-educated families. Because women universally shoulder primary responsibility for raising children, most of these gains result from ensuring that more girls have access to an effective basic education.

Better and more accessible basic education for girls also helps reduce the high fertility rates found in many developing countries, ultimately slowing population growth. The links between girls' education and fertility are complex, but several factors deserve attention. First, because better educated mothers raise healthier children, more of them survive to adulthood. As a result, families no longer need extra children to ensure that enough will survive to care for their parents in old age. Second, basic education raises women's earning potential, making it more "expensive"

to devote their time to raising children. The tendency is for better educated women to marry later and to want fewer children. Third, education increases women's acceptance of and knowledge about modern contraceptive methods, which help them limit pregnancies to the smaller number they have come to desire.

Finally, the spread of literacy through basic education both encourages popular support for democracy and human rights and helps translate that support into reality, a point noted two centuries ago by Thomas Jefferson that is confirmed by recent cross-country statistical analysis.²

Most developing countries have made substantial progress in recent decades in raising primary and secondary school enrollment rates and achieving basic literacy. However, many have a long way to go to reach universal enrollment even at the primary level.³ Moreover, the poor quality of basic education in many developing countries reduces the benefits of attending school, contributing to high rates of grade repetition and school dropout. In most regions, limited access and poor quality affect girls more severely than boys, leading to significant gender gaps in primary and secondary enrollment and completion. Some of the reasons for this are discussed in section IV.

USAID programs in basic education seek to help countries overcome these problems and more fully realize the potential contribution of basic education. First, they help countries develop and adopt policies to make basic education more accessible and improve quality. Second, USAID helps countries build the institutional capacity to

manage their basic education systems more effectively. Third, USAID programs promote adoption of improved teaching methods and encourage use of improved educational materials and technologies, including distance education through radio and the Internet. The Agency also provides some direct teacher training. Finally, USAID programs promote increased and more effective community participation in educational decision-making.

In 1997, USAID allocated most of its human capacity development funding to basic education. The Agency provided \$127.9 million for basic education in three regions—Africa, Latin America and the Caribbean, and Asia and the Near East. Of that, \$122.8 million (96 percent) went to basic education for children. The remaining \$5.1 million supported adult literacy programs.⁴

• **Higher Education**

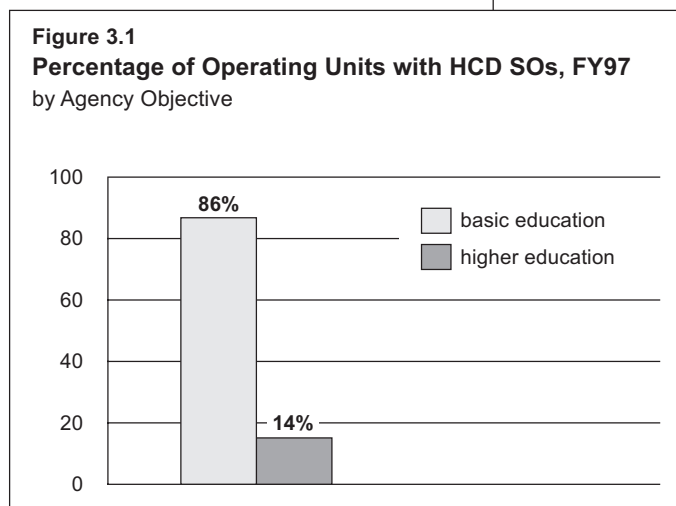
USAID works to *increase the contributions of host-country institutions of higher education to sustainable development* (objective 3.2). Colleges and universities in many developing and transitional countries are underperforming in their proper roles. They could increase their support in such areas as training the next generation of political and professional leaders, conducting research on scientific and social problems, and providing access to the world’s rapidly expanding store of scientific and technological knowledge. Increasingly, they are being called on to participate more actively in finding solutions to local and national problems, open their doors to the traditionally underserved, and improve systems of basic education. To support this transformation, USAID creates partnerships between host country colleges

and universities on the one hand, and local business, government, and the American higher education community on the other.

USAID applies a variety of cross-cutting development tools—including research, training, and efforts to improve host country policies and capacity in information technology—to advance all of its goals and strategic objectives, including basic and higher education.

Distribution of USAID Programming

In 1997, 27 USAID Missions and regional bureaus had at least one strategic objective under the human capacity development goal, for a total of 36. Figure 3.1 presents the distribution of strategic objectives. Of the total, 31, or 86 percent, supported expanded access to quality basic education. The remaining 5 (14 percent) supported improved performance of higher education. Annex A provides a detailed breakdown by geographic region and Agency objective.⁵



Strategic objectives involving basic education substantially outnumbered those aimed at strengthening higher education in Africa, Latin America and the Caribbean, and Asia and the Near East. This reflects a judgment that the deficiencies of basic education present the most serious constraints to development in these regions. By contrast, basic education in Europe and the new independent states is much better developed. Programs in that region support no strategic objectives in basic education.

The Agency's six objectives supporting higher education include large bilateral programs in South Africa and in Egypt and a regional program in Latin America and the Caribbean. Each sought to improve the capacity and quality of local

institutions of higher education. The Bureau for Europe and the New Independent States had one strategic objective to support improvement of higher education in Hungary.

The number of strategic objectives in higher education understates USAID's involvement in higher education. Because higher education was just adopted as an Agency objective in 1997, activities involving higher education initiated earlier were reported under one of USAID's five goals existing at the time. The Bureau for Europe and the New Independent States, in particular, reported only one strategic objective in support of higher education, yet it uses partnerships with host country institutions of higher education as a major vehicle in its programs.

II. AGENCY PROGRESS UNDER HUMAN CAPACITY DEVELOPMENT PERFORMANCE GOALS

Country Development Trends

Despite considerable diversity among countries, there are discernible patterns in the challenges education faces in the regions where USAID operates. In **Africa, Asia and the Near East, and Latin America and the Caribbean**, expanding access to and improving quality in basic education are the highest priorities.

In most countries in **Latin America and the Caribbean** almost all children receive at least some primary schooling. This does not hold true, however, for Haiti, the region's poorest country, or for rural areas of Guatemala, especially for Mayan children. But the quality of basic education in most countries is

poor, which means many children fail to master the basic language and math skills necessary to function effectively in modern society. Poor quality is largely responsible for the high dropout rates that plague most countries in the region.

In **Africa**, a few countries have high initial enrollment in primary school followed by high dropout rates. More typically, a substantial number or even a majority of children do not even begin school, usually because there is no local school or because the school is already overcrowded. Limited access to basic education is rooted in a variety of overlapping problems, including inadequate public funding of education overall and a tendency to spend a disproportionate share of the education

budget on higher education. In many countries, rapid population growth and slow economic growth have made it even harder to provide adequate funding for basic education. Per-pupil education spending dropped during the 1980s and early 1990s. Inadequate funding contributes to poor educational quality in most African countries. Teachers are untrained, supervision is weak, school buildings are inadequate, and textbooks and other teaching materials are in short supply. All these factors contribute to low rates of school completion, particularly among girls.

USAID-assisted countries in the **Asia and the Near East** region (which includes North Africa) span a wide range of economic, educational, and social development. The region includes several of the world's largest countries, some of which suffer large gaps between boys' and girls' access to basic education. USAID basic education programs there concentrate on boosting girls' access to quality basic education and on improving women's literacy.

Countries in the **Europe and the new independent states** region face different challenges. Primary and secondary enrollment rates are generally high, and problems of educational quality much less severe than in other regions. USAID believes the most promising opportunities lie in improving the contribution of the region's institutions of higher education to the emergence of strong market economies and democratic governance. USAID concentrates on strengthening linkages between higher education institutions in the United States and other advanced nations.

- **Progress Toward Full Primary Enrollment**

The United States is committed to the target of full primary enrollment by 2015 (Development Assistance Committee, *Shaping the 21st Century: The Contribution of Development Cooperation*). USAID tracks progress toward this target among the countries it assists. A country is considered “on track” if its net primary school enrollment ratio is increasing at a rate fast enough to reach full enrollment by 2015, *if that rate is sustained*. This measure provides a useful summary of recent enrollment growth in relation to the country's distance from the target. It is not a forecast of future enrollment growth.⁶ Data gaps required reliance on data for years not included in Annex C. To be included in the calculations, a country had to report the net primary enrollment ratio for at least one year from 1994 through 1996.⁷

Among the nine countries in **Africa** with USAID programs contributing to basic education in 1997, five—Benin, Ethiopia, Mali, Namibia, and South Africa—reported the data necessary to allow net primary enrollment growth to be calculated over roughly 10 years, ending in 1994–96. Of the five, Namibia and South Africa are on track toward full primary enrollment by 2015. A sixth country, Malawi, reported full primary enrollment in 1996. The three countries that did not report the necessary data were Ethiopia, Ghana, and Uganda.

Data problems were even more severe in the **Asia and Near East** region. Of five countries with basic education objectives—Cambodia, Egypt, India, Morocco, and Nepal—only Morocco

reported sufficient data to calculate net primary enrollment growth over the past decade. Those data showed Morocco to be on track toward full enrollment by 2015. In addition, Cambodia reported full primary enrollment in 1996.

In **Latin America and the Caribbean**, USAID supported basic education programs in 10 countries in 1997: Bolivia, Brazil, Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Nicaragua, and Peru. Five—Brazil, Dominican Republic, El Salvador, Nicaragua, and Peru—reported the data necessary to calculate primary enrollment growth over the past decade. The first three were increasing net enrollments fast enough to reach full enrollment by 2015. Nicaragua fell just short of the required growth rate. By contrast, Peru's net primary enrollment rate has fallen over the past decade, although there is some evidence of recovery since 1993.

Many countries in **Europe and the new independent states** do not report net enrollment rates. Among those that do, most have high rates of primary enrollment, though in some countries these have slipped in recent years. USAID does not provide direct support for basic education in this region.

- **Reducing the Gender Gap in Primary Enrollments**

USAID supports eliminating the difference between boys' and girls' enrollment rates at the primary level.⁸ To track progress toward this goal, USAID calculates a gender gap measure for each USAID-assisted country based on its gender equity ratio, the ratio of girls' to boys' *gross* primary enrollment rates.⁹ Gender gaps for individual countries are averaged across each region.

Figure 3.2 shows recent trends in the average gender gap among the countries that supported basic education programs in 1997. Although the regional averages conceal much country-level detail, they show a gradual narrowing of the gender gap in all three regions. Despite progress, however, the gender gap remains large in much of Africa and in many countries in Asia and the Near East. Section IV summarizes a recent evaluation of USAID's efforts to reduce barriers to education for girls and women.

Among the nine USAID basic education countries in the **Africa** region, the average gender gap declined markedly from 28.1 percent in 1986 to 23.5 percent in 1996. The gender gap declined in seven of the nine countries. It increased slightly in South Africa (0.3 percent to 1.7 percent) and sharply in Ethiopia (33.8 percent to 43 percent.)

The five USAID basic education countries in Asia and the Near East region also achieved a dramatic reduction in the primary school gender gap over the past decade. The regional average gap fell from 30.4 percent in 1986 to 20.8 percent in 1996. At the country level, the gender gap fell from 26 percent to 18 percent in India, from 35 percent to 24 percent in Morocco, and from 53 percent to 33 percent in Nepal. Despite this impressive progress, each of these countries still has a long way to go to reach gender equality. Progress has been slower in Cambodia and Egypt, though the gender gaps have been smaller there than in other countries in the region.

With the exception of Guatemala, gender gaps in primary enrollment rates are quite small among the nine countries with basic education objectives in **Latin America and the Caribbean**. It is harder to interpret the gender gap measure, however, because six of the countries register gross enrollments at or above 100 percent for boys and girls. This is a reflection of extensive grade repetition. Moreover, in four of those countries—Dominican Republic, Honduras, Jamaica, and Nicaragua—gender gap measures indicated higher gross primary enrollment rates for girls than for boys. Bearing this in mind, the regional gender gap fell from 6.2 percent to 4.5 percent from 1986 through 1996. The gap narrowed in seven of the nine USAID-assisted countries. Brazil and Jamaica registered small increases.

- **Supporting Higher Education Partnerships That Facilitate Enhanced Responsiveness**

USAID fosters partnerships between institutions of higher education in the United States and overseas in an effort

to enhance the relevance of the countries' colleges and universities to development needs. The focus is on developing faculty, student, and institutional linkages, which will promote changes in curricula, research, and campus-based community involvement, in response to local or national needs.

In **Egypt**, USAID-fostered partnerships helped Egyptian universities improve their research capacity. In **South Africa**, USAID provided grants to strengthen 15 historically disadvantaged institutions. USAID provided support to 9 institutions in **Albania, Hungary, Latvia, Lithuania, Poland, and Slovakia** to create or expand programs in management training and market economics education, and to 11 institutions in Russia and Ukraine to strengthen educational programs in areas such as economic restructuring, health, and the environment.

In addition, USAID's Center for Human Capacity Development has supported the University Development Linkages Project since 1992. The program is designed to enhance long-term, sustainable collaboration between American and developing-country colleges and universities. The aim is twofold: 1) helping higher education institutions in developing countries more effectively meet the development needs of their societies, and 2) enabling American colleges and universities to increase the international dimension of their programs—for example, by attracting more foreign students or making the curriculum global in perspective. In 1997 the linkages program supported the formation of 41 partnerships, including 4 historically black colleges and universities in the United States. The Highlights section provides more information on some of the results of these programs.

Performance indicators for USAID's higher education objective are under development.

Monitoring USAID Program Performance in Human Capacity Development

In addition to tracking country-level indicators, USAID closely monitors its operational-level performance.

- **Data for Performance Monitoring**

In 1997, both target and actual data for performance indicators were reported for 66 percent of the 36 strategic objectives in human capacity development. Since this is a new goal area this year, no comparable data are available for

1996. For those objectives for which indicator data were reported for 1997, performance met or exceeded targets in 84 percent of the cases and fell short in 16 percent of the cases.

At the intermediate results level, actual performance data against an established target were reported for 69 percent of the 139 intermediate results.

- **1997 Performance: Bureaus' Technical Performance Assessments**

Of 34 strategic objectives in support of the goal of human capacity development, technical reviews by the regional bureaus judged that 20 percent exceeded performance expectations, 74 percent met expectations, and 6 percent fell short of expectations in 1997.¹⁰

III. HIGHLIGHTS

The human capacity development highlights include several notable successes and one case where results were mixed. USAID aims to learn from experience and apply those lessons to improve future efforts.

Community Schools

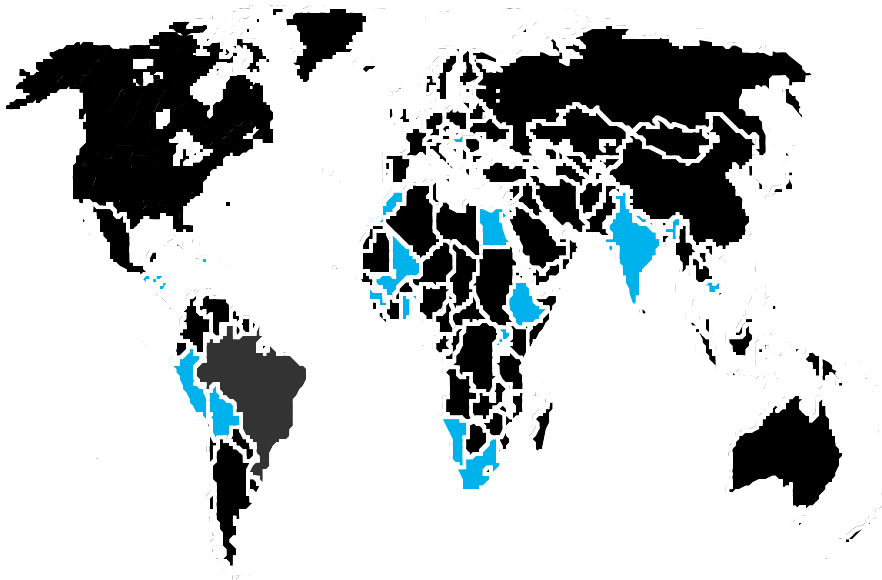
Throughout Africa, communities are increasingly involved in educational reform, particularly in school management. With USAID assistance, communities in **Ethiopia, Ghana, Guinea, Mali, and Malawi** have formed committees of parents, teachers, and community leaders to evaluate and address the development and maintenance needs of local schools.

A Community School Grants Program, established in the northern (Tigray) and

southern (Southern Nations Nationalities Peoples) provinces of **Ethiopia** is helping improve the classroom environment for children, especially girls. USAID-sponsored development agents work with local communities to help them draft action plans that prioritize the needs of local schools and outline a strategy for reaching their goals. USAID awarded community seed grants averaging about \$400—matched by community contributions, often as high as five times the initial grant—to fund activities ranging from the construction and repair of latrines and classrooms to the purchase of educational materials for students and teachers. Development agents encourage communities to discuss and rectify cultural barriers to girls' education, such as early marriages. One example of success: more than half the schools

MAP 3.1

Objective 3.1: Basic Education
Objective 3.2: Higher Education



Country Programs

Objective 3.1: Basic Education especially for Girls

- Benin
- Bolivia
- Cambodia
- Dominican Rep.
- Egypt
- El Salvador
- Ethiopia
- Ghana
- Guatemala
- Guinea
- Haiti
- Honduras
- India
- Jamaica
- Malawi
- Mali
- Morocco
- Namibia
- Nepal
- Nicaragua
- Peru
- South Africa
- Uganda

Objective 3.2: Higher Education

- Egypt
- Hungary
- South Africa

Regional Programs

- African Sustainable Development (Objective 6.1 only)
- LAC Regional (6.1 and 6.2)

in the Tigray region have participated in the program since 1994, helping Tigray maintain primary enrollment ratios well above the national average (47 percent in Tigray, 31 percent nationwide).¹¹

With USAID sponsorship, a U.S. private voluntary organization actively promoted community–school partnerships in **Mali** and **Malawi**. The goal was to establish primary schools in remote areas where none existed. Teachers for these schools, unlike for traditional government schools, are selected by the community from among its own members and typically have no more than a primary school certificate. Teachers often give instruction in the local language and scale down and adapt the curriculum to local needs. Classes are smaller (restricted to 30 in Mali and 50 in Malawi).

Teachers receive substantial supervision and in-service training. Schools are provided with supplies and teaching and learning materials. The school calendar is adapted to local needs, and greater effort is made to promote community participation than is typical in government schools. In both countries, villagers have become responsible for school construction. In Mali, villagers must pay teachers’ salaries, too. Children in the targeted schools performed as well as or better in all subjects than children in government schools. Repetition and dropout rates in targeted schools were lower than in government schools, and promotion rates were higher.¹²

School management committees in Mali and Malawi have become actively involved in school affairs, frequently attending classes and holding meetings with teachers. By engaging communities in educational reform, USAID-supported programs help the school become a focal

In 1997, more than 100,000 Nepali women learned to read, write, and count in USAID-sponsored literacy classes.

point for social change, which contributes to the long-term prospects for sustainable, people-centered development.

Using Food Aid to Boost School Completion

In **Bolivia**, USAID's Food for Education Program (Public Law 480, Title II) supported a school feeding program designed to encourage poor rural families to keep their children in school rather than allowing them to drop out before graduation. Grade completion rates for boys and girls rose from 84 percent in 1996 to 89 percent in 1997 in USAID-targeted schools. For girls alone, the completion rate rose from 86 percent to 90 percent, while the dropout rate for both genders fell from 11 percent to 7 percent, well below the target of 9 percent in 1997.¹³

Increasing School Completion Through Improved Educational Quality

For many years, USAID has supported efforts by the Ministry of Education in **Honduras** to improve educational quality, including funding the development and adoption of improved textbooks and teacher training in improved teaching methods. These efforts contributed to a 280 percent increase in standardized test scores from 1990 through 1997. The improved quality of schooling in turn helped boost sixth-grade completion rates, which rose from 55 percent in 1986 to 73 percent in 1997. In both measures, the gains achieved by girls slightly exceeded those of boys.¹⁴

Increasing Mathematics Achievement

In **Jamaica**, the second phase of USAID's Primary Education Assistance Program supported teacher training and improvements in the primary mathematics curriculum and related teaching materials. The program helped train educational assessment coordinators for local primary schools and master math teachers, who provide ongoing support for other teachers. Although the program ended in 1996, the Jamaican government has continued to pursue these improvements using its own resources. Together, these efforts helped boost average performance of third-grade students on standardized math tests by 4 percent from 1996 through 1997, exceeding expectations and reversing a steady 10-year decline in national indicators of education performance.¹⁵

Increasing Women's Literacy

Basic education programs supported by the Bureau for **Asia and the Near East** concentrate on educating girls and illiterate women. In **Nepal**, USAID supported literacy programs for adult women and out-of-school adolescent girls implemented by local and international nongovernmental organizations. The programs helped raise the literacy rate among adult women in the targeted districts from less than 22 percent in 1991 to 28 percent in 1996. In 1997, more than 100,000 women learned to read, write, and count in USAID-sponsored literacy classes. An evaluation of these programs detected several changes in the behavior and attitudes of women who have become literate. These include greater political awareness, greater participation in groups

outside their families, increased control over income, greater influence in household decisions, more mobility, enhanced self-confidence, greater respect from family and community members, and increased ability to envision a different future for themselves and for their children.¹⁶

Expanding Basic Education Through Distance Learning

In **Honduras** the USAID-supported Education for All Program uses distance learning techniques to reduce educational inequities and improve incomes. The program helps out-of-school youth and adults complete their basic education, using radio or cassette instruction supported with texts and volunteer facilitators. Local municipalities and the private sector and municipalities have provided impressive support. For example, in 1997, 14 private sector employers started sponsoring Education for All programs in the workplace, providing class time, lesson facilitators, and tape players. Municipalities honored volunteer facilitators with certificates of recognition or monthly stipends. The program provided some 53,000 student-years of basic education in 1997. An evaluation concluded that students earned an extra \$40 a year for each year of the program completed, achieving a financial rate of return greater than 200 percent.¹⁷

Pitfalls on the Road to Universal Primary Education: Access Versus Quality

The recent experience of **Malawi** and **Uganda** illustrates the difficulty of achieving rapid increases in access to education while maintaining quality.

Following its rise to power in 1994, the new democratic government of **Malawi** decreed that primary schooling would be provided free to all children. Primary enrollments doubled almost overnight. Despite increased funding for education and other measures to support the new policy, pupil-teacher ratios shot up to 77 to 1, many classes had to be held under trees or in makeshift shelters, and students in lower grades were assigned the least qualified teachers. Educational quality dropped markedly and has only slowly begun to recover.

Uganda announced a similar policy in early 1997, with similar results. Gross primary enrollment rose from 68 percent in 1995 to 105 percent in 1997, with especially large increases in first- and second-grade enrollments. In many classrooms, the number of children increased from a manageable 40 to more than 80, putting a tremendous strain on teachers and facilities and limiting access to textbooks and other learning materials.

The experience of these two countries reveals the pent-up demand for education. Meeting this demand while maintaining or improving educational quality requires reallocation of government budgets, together with improvements in local capacity to manage the educational system. Neither of these adjustments can be done in a hurry. Rather than waiting until the volatile issue of universal education arrives on the political scene and then launching crash programs to respond to newly unleashed public demand, governments need to make systematic, determined efforts to ensure the enough funds are available to develop their own capacity to manage the educational system effectively.

In both countries, USAID education officers have worked with ministries of education to find the necessary financial and human resources to ensure that primary school students receive a quality education, rather than simply an enrollment opportunity. For example, in 1997 USAID/Uganda used \$10 million originally intended for nonproject assistance to purchase textbooks and building materials for primary schools. Through its Teacher Development and Management System project, USAID/Uganda also supported in-service and refresher training for 5,100 untrained teachers, 10,000 trained teachers, 350 teacher trainers, and 2,400 head teachers in 1997. This effort has helped meet the urgent need for trained and competent teachers and school managers to handle the expanded student population.¹⁸

American Schools and Hospitals Abroad

The American Schools and Hospitals Abroad program, managed by the Bureau for Humanitarian Response, provided grants to overseas secondary schools, colleges, and universities founded or sponsored by U.S. citizens. The schools serve as demonstration centers that promote U.S. ideas and practices. The grants supported improvements in facilities and equipment, including the adoption of state-of-the-art American technologies. For example, USAID funding led to the completion in 1997 of a women's dormitory at the Pan-American School of Agriculture in Honduras. The dormitory contributed to a 38 percent increase in female enrollment at the school.¹⁹

Making Research More Responsive

In **Egypt**, local demand for applied research carried out through USAID-funded linkages between U.S. and Egyptian universities translated into dollar support. Local users covered at least 40 percent of the cost of more than 96 percent of the grants, nearly double the share targeted. Cost sharing breaks with tradition for Egyptian universities. They have depended almost exclusively on government funding to support research. If cost-sharing spreads, it will enhance the flow of relevant research from the higher education community.²⁰

Advancing Human Rights

A partnership between Makerere University (**Uganda**) and the **University of Florida**, supported by the University Development Linkages project, established a Human Rights and Peace Center in Uganda. Center officials consult with governments and NGOs on such issues as civic education, constitutionalism, and human rights. The center has played a key role in advancing human rights initiatives in the Great Lakes region of East Africa, which has recently undergone turmoil and conflict. Students with the center have conducted civil rights training workshops for local NGOs and in such unlikely but practical places as jails.²¹

Improving Curriculum

Cooperation between Carnegie-Mellon University and the International Management Institute in **Ukraine** has helped strengthen faculty capabilities in areas such as executive education

and financial management strategy. Faculty have then provided consulting services to private businesses. The institute's reputation is so good, it now must turn away applicants, even with tuition costs of \$5,000 per year.²²

Supporting Sustainable Agriculture

A \$500,000 grant supported collaborative efforts between Clemson University and Bogor Agricultural University

in **Indonesia**, contributing to the development of an integrated pest management system to combat infestations of local shallot and cabbage crops. The new system reduced farmers' risk of pesticide poisoning as well as their production costs. If applied to all 14,000 hectares (35,000 acres) planted to these crops, the system is expected to yield \$80 million a year in net benefits through increased production and reduced pesticide costs, together with reduced pesticide poisoning and improved local water and food quality.²³

IV. EDUCATING GIRLS

The Problem

Many developing countries fail to ensure that girls have adequate access to basic education. These countries pay a high economic and social price for their neglect. Private and public investment in basic education generally offers high rates of return in developing countries by raising students' future productivity and earnings. The economic payoff to basic education tends to be especially high in countries where prevailing levels of education and literacy are low. Studies show that the earnings payoff to girls' and boys' education tends to be roughly equal on average.

However, educating girls provides substantial additional benefits to families and to society in general. These come in the form of improvements in child survival, family health, reductions in high rates of fertility, and support for the education of the next generation. When these nonmarket benefits are factored in, the evidence suggests that the social return from educating girls generally exceeds that from educating boys.²⁴

Unfortunately, many developing countries fail to realize the economic and social payoff from educating girls. In many regions, girls have less access to basic education than boys. The quality of education they receive often falls short as well, contributing to higher rates of grade repetition and dropout. Gender gaps in primary enrollment account for a large share of the overall shortfall from full enrollment in many countries. Even larger gaps show up in primary completion and advancement to secondary schooling. (Section II reviews regional trends in the gender gap in primary education.)

USAID's Role

For many years, USAID has provided strong leadership among donors to address the education of girls. USAID focused attention on girls' education issues at the 1990 Education for All Conference at Jomtien, Thailand. The conference has helped frame international discussion of basic education issues ever since. USAID leadership reflects years of active dialog with host

governments and other donors, together with recognized expertise gained from USAID's long-term field presence in developing countries and from the attention it has paid to girls' education issues in basic education projects in many host countries.

Improving educational opportunities for girls is at the core of USAID's overall objective in basic education. However, although there is universal agreement within USAID on the importance of girls' education *as a goal*, there is active debate about the most effective strategies and tactics for advancing this goal. Perspectives range from an emphasis on improvements in basic educational systems to expand educational opportunities for all children, including girls, to an equally strong emphasis on the need to remove specific barriers to girls' participation in education. The debate is mirrored in differences in the use of the term *girls' education*—to describe educational *outcomes*, such as changes in girls' enrollment or completion rates, or to describe USAID program *efforts* to achieve those outcomes. The differing perspectives raise problems with USAID's budgetary reporting: the reported \$192 million in spending on girls' education from 1990 through 1996 can be viewed as either a gross underestimate of what USAID spent on programs that have affected girls' educational outcomes, or a gross overestimate of the efforts specifically addressing girls' education issues.

The Evaluation

To help resolve these issues and to provide a better focal point for future programs, USAID's Center for Development Information and Evaluation conducted a major assessment of the

Agency's girls' education efforts. Focus on Girls: An Evaluation of USAID Programs and Policies in Education included field studies of USAID programs in Guatemala, Guinea, Malawi, Nepal, and Pakistan. In each country, USAID employed a different approach to improve girls' education, based in part on different country conditions. The evaluation also included three country desk studies (Bolivia, Egypt, and Thailand) and an extensive literature review. The results were synthesized in a publication entitled *More, But Not Yet Better: An Evaluation of USAID's Program and Policies to Improve Girls' Education*.²⁵

The evaluation sought answers to five questions about the effectiveness of different approaches to advancing girls' education:

- What are the best ways to get girls into schools?
- How can the quality of girls' education be improved?
- What are the best ways to help girls complete a basic education?
- What is the impact on boys of efforts to improve girls' education?
- What are the critical features of approaches that lead to sustainable improvements in education for girls?

The evaluation results provide insights into a wide range of issues central to the design of future efforts—by USAID, other donors, and host country governments—to improve educational outcomes for girls.

The sections that follow summarize findings from field studies in four countries and highlight lessons learned.²⁶

Case Studies

• Pakistan

In 1989, USAID/Pakistan launched the Primary Education Development project, a 10-year, \$280 million program. The goal was to help Balochistan and North-West Frontier Provinces build the capacity to deliver primary education and to adopt policy reforms to improve access, equity, and quality at the primary school level, especially for rural girls.²⁷ When the project began, the educational and health status of women in the two targeted provinces was among the worst in the world. For example, the literacy rate among women in the two provinces was only 1.8 percent and 3.8 percent, respectively. In accordance with local custom, girls and boys attended separate schools run by separate male and female administrations. When the project began, 14 percent of girls and 70 percent of boys in Balochistan were enrolled in school; in North-West Frontier Province, enrollment was 28 percent for girls and 79 percent for boys.²⁸

The project achieved a rapid increase in girls' access to primary education, based on a supply-side strategy of opening more schools for girls near their homes and staffing those schools with trained local female teachers. The project funded the creation of Directorates of Primary Education, charged with managing and improving primary schools—those most relevant to rural girls. The project ended halfway through its intended lifetime, when the United States suspended foreign aid to Pakistan in 1994. Only \$78 million of the planned \$280 million was actually spent. However, girls' access continues to be greater, and other donors have provided additional funding for efforts begun under the project.

By the time USAID stopped funding the project, the Directorates of Primary Education had taken strong root and were beginning to function as the project intended. School construction absorbed 80 percent of the funds provided, but a government commitment to build three girls' schools for every two built for boys was not met. Instead, only one sixth of the new schools built in Balochistan and two fifths of those in North-West Frontier Province were for girls.

Nevertheless, even this minimal degree of compliance with project conditions produced a major improvement in educational access for local girls: with 2,100 new girls' schools, girls' primary enrollments had increased 30 percent in Balochistan and 79 percent in North-West Frontier Province by 1994. Boys' enrollment increased over the same five-year period, by 13 percent and 9 percent, respectively. The project also helped dramatically expand the number of female teachers, by more than one third in Balochistan. Progress continued after other donors adopted the project: by 1996, seven years after the USAID project began, girls' enrollments had more than tripled in Balochistan and more than doubled in North-West Frontier Province.

• Guatemala

With an average income of \$1,470 in 1996, Guatemala is classified by the World Bank as a middle-income country. However, the distribution of income and wealth is highly skewed, with widespread poverty and malnutrition among the indigenous Mayans, who make up 50 to 60 percent of the

The Pakistan project achieved a rapid increase in girls' access to primary education, opening more schools for girls near their homes and staffing those schools with trained local female teachers.

population. A long, brutal civil war, which ended in 1996, caused many deaths and widespread destitution among the rural Mayans. Guatemala's educational system has reinforced the pattern of inequality in the country: rural schools are few in number and generally ill-equipped. Many of the teachers in rural schools are poorly trained, poorly motivated, and insensitive to students' ethnicity and gender.

Rural girls—mostly Mayans—bear the brunt of the system's inadequacies: only 59 percent of rural girls were enrolled in primary school in the mid-1990s. Rural Mayan girls drop out of school at a much higher rate than boys, diverted by household chores, agricultural labor, and the lower traditional expectations of girls. Mayan women average 0.9 years of schooling, compared with 4 years for nonindigenous women.²⁹

To help address Guatemala's educational problems, USAID authorized the 10-year, \$30 million Basic Education Strengthening project in mid-1989. As initially designed, the project included a large number of components. These included support for expanded bilingual education, in-service training and other support services for teachers, and research and development on alternative instructional approaches, including radio math and Spanish, achievement testing, and the New Unitary School model. The model proposed under this project uses flexible individual and group study and active participation to improve learning. USAID supported these and most other project components on a pilot scale. Two additional components addressed systemwide issues: a management information system for the Ministry of Education, and technical assistance to

the ministry on policy issues affecting basic education. For its part, the Guatemalan government agreed to hire technical staff and to provide funding to expand the project. Most important, the government agreed to nearly double its funding for basic education.

In 1991, USAID added a further component, the Girls' Education Program, to focus specifically on the educational problems of indigenous girls. The Girls' Education Program included three elements. The Girls' Education Initiative sought to engage leading business firms and several business-funded foundations in managing and funding girls' education activities. Educate the Girl was a three-year pilot project to evaluate the impact of different interventions—scholarships, creation of parents' committees supported by social promoters, and the distribution of motivational materials to teachers—on educational persistence and achievement among Mayan girls. Finally, the Integrated Curriculum was intended to train Ministry of Education staff in gender issues and to develop programs and materials for integrating attitudes, concepts, and methods to improve girls' attendance and retention in primary schools throughout Guatemala.

A midterm evaluation of the Basic Education Strengthening project led to the elimination of many of its components. The redesigned project, launched in 1993, retained the Girls' Education Program, technical assistance for policy reform, the management information system, and further pilot work on bilingual education and the New Unitary School model. The government agreed to provide more counterpart funds for the project and to progressively take over its full recurrent costs.

The evaluation attributes several successes to the Girls' Education Program component. The program gave national visibility to pressing issues of basic education for girls. It also promoted an interest in girls' education among some leading business firms and other private groups, resulting in a year-long awareness campaign on the importance of girls' school attendance. One of its pilot projects demonstrated the effectiveness of scholarships for rural girls in increasing their school attendance, which led the government to develop its own scholarship program for rural girls. The program also produced more gender-friendly teaching materials. Finally, it contributed to modestly increased allocations for primary and rural education in the national education budget.

However, the evaluation identified several factors that together undermined the impact of the Girls' Education Program. First, the program was not able to induce substantial, systemwide change in the Ministry of Education. The ministry made little effort to integrate more gender-sensitive teacher training and curriculum into its plans, or to meet its broader commitment to provide expanded fiscal and personnel support for primary education. Lack of ministry commitment to basic education reform contributed to USAID's early abandonment of plans to introduce the Integrated Curriculum, the main systemwide element in the program.

Second, the evaluation found the attention paid by business and political leaders to girls' education issues less vigorous and sustained than hoped for. It concluded that, in the effort to promote girls' education, insufficient efforts were made to include other elements of civil society—particularly education for women, Mayans, and

community groups. The evaluation pointed to the need for broader and deeper participation in the process of improving education for girls.³⁰

Regarding the broader Basic Education Strengthening project, the evaluation faults the Guatemalan government for largely failing to do its part to achieve the desired educational improvements. The evaluation states that the government provided neither the counterpart funding nor the technical staff needed to institutionalize project activities. In addition, political shifts led the government to drop its commitment to provide funding to expand the New Unitary School model beyond the pilot stage, despite evidence of the model's effectiveness in improving educational retention for both boys and girls. More generally, the evaluation suggests that both the Basic Education Strengthening project and its Girls' Education Program component devoted too much of their funding and attention to pilot projects, rather than to systemwide policy reforms and institutional changes with the potential to achieve large-scale, sustainable impact.

In retrospect, it appears that the evaluation was conducted at a low point in the girls' education initiative. Since its completion, several actions have been taken to improve girls' education in Guatemala. The government has proposed expanding its scholarship program for rural girls to 60,000 in 1999. It issued textbooks, cleansed of gender stereotypes, free to all primary schools. The government transferred responsibility for some administrative functions to outside groups. Private sector firms and foundations participated in writing the government's five-year plan for girls' education. Other donors improved their support for girls' education issues.

USAID/Guatemala is now more fully engaging women's and Mayan groups in the initiative. Finally, the government has increased its allocations for primary and rural education in the national education budget, although much less than it agreed under the Basic Education Strengthening project.

The impact of these developments on enrollment and completion among girls in rural Guatemala, as well as the degree to which they have resulted from USAID's efforts under Basic Education Strengthening and the Girls' Education Program, remain unresolved. However, USAID/Guatemala is using the results of the evaluation to enrich the design and implementation of its current education programs, which include further efforts to address the constraints to girls' educational participation and to expand and improve bilingual education in rural areas.

- **Malawi**

Malawi is one of the poorest countries of the world, with an average per capita income of \$180 in 1996. It has high rates of infant and child mortality and high fertility rates. More than 90 percent of the labor force works in agriculture. After 30 years of one-man rule, Malawi held its first democratic elections in 1994. The transition to a democratic society brought with it dramatic changes in economic, political, and social relations.

Before that, the government limited access to all levels of education and tightly controlled progression to the secondary and university levels, which absorbed a large share of public education funding. The net enrollment rate was 60 percent at the primary level and 4 percent at the secondary level. The

transition to democracy produced major changes in the educational system.

USAID launched the Girls' Attainment in Basic Literacy and Education project in 1991. The project emphasized girls' participation in schooling as part of a broader effort to improve efficiency and quality in Malawi's primary education system. A major goal was to help reduce fertility, because educated girls have fewer children. The project provided \$14 million in cash grants, plus \$6 million to fund specific project activities and secure technical expertise. The project included a program to waive school fees for girls who continued to progress through school rather than repeat grades, and a social mobilization campaign to encourage parents and community leaders to send girls to school.

The project contributed to increasing girls' enrollments and persistence at the primary school level. Between the 1990–91 and 1995–96 school years, primary school enrollments for both sexes more than doubled, while the share of girls in overall primary enrollments increased from 45 percent to 47 percent, which is close to the 50 percent needed to achieve equal access for boys and girls. Moreover, the social mobilization campaign appears to have been successful in its efforts to improve social attitudes about the importance of schooling for girls.

However, the fee waiver program for girls created under the project also seems to have contributed to political pressures on the new democratic government to eliminate school fees for *all* primary school children. The incoming president announced universal, free primary education in his inauguration speech, resulting in the explosive in-

crease in primary school enrollments described earlier. The attempt to introduce universal primary education overnight has raised quality problems that could threaten the sustainability of educational progress.

- **Guinea**

Guinea, located on Africa's west coast, had a per capita income of \$590 in 1996. Infant and maternal mortality rates are high, and other indicators of economic and social development are weak. Despite its small size, the country has great ethnic and economic diversity. Literacy among women 15 or older is estimated at only 22 percent, compared with 50 percent for men.³¹

Guinea launched an economic reform program in 1986 that is ongoing, with strong support from the donor community. To complement Guinea's economic reforms, USAID and other donors supported the Program for Structural Adjustment in Education, beginning in 1990. USAID provided \$39.8 million in budget support, of the estimated \$205 million the program cost. When the program began, the gross primary enrollment rate was 50 percent for boys and 24 percent for girls. With high rates of dropout and repetition, only half the children entering first grade reached the sixth grade, and only 10 percent reached sixth grade without repeating at least one grade.

To help address these problems, USAID linked the release of program funds to a set of conditions the government had to meet. Those included increasing the share of education in the overall budget, increasing the share of spending on primary schooling in the education budget, and increasing the share of funds devoted to materials,

textbooks, and other nonsalary items. The Agency required that girls' share of primary enrollments not fall below 33 percent of the total. In the process of meeting these conditions, Guinea reassigned more than 2,500 administrators and secondary school teachers to teach at the primary level. The reform program harnessed community contributions to help with the construction and maintenance of schools, teacher food allowances, and student materials. By the end of the program in 1996, the gross enrollment rate at the primary level had risen to 65 percent for boys and 35 percent for girls.

Lessons Learned

The evaluation shed light on each of the five central questions it explored.

- **Increasing Girls' Enrollment**

The evaluation points to the need for *more and better primary schools* available to girls as a fundamental requirement for raising low enrollment rates among girls. Each element in this phase includes both general and gender-specific dimensions. Girls benefit from *more* primary schools in several ways. First, where cultural factors require separate schools for girls and boys, a lack of available places in girls' schools directly limits girls' initial enrollment. Second, where girls and boys attend the same schools, extreme overcrowding and other symptoms of resource scarcity create pressures to keep additional children out. While this affects both sexes, girls are disproportionately affected. Third, where there are too few primary schools or they are poorly located, girls must travel farther to get to school, which exposes them to the risk of sexual abuse or other dangers

on the way. These conditions make parents reluctant to allow their daughters to go to school in the first place.

Girls' enrollment also responds to the *quality* of primary schooling. Parents are less motivated to send their children to school or keep them there if schools fail to deliver basic literacy, numeracy, and other qualities and skills parents value. Since parents often view education as less valuable for girls, and their work in the home is important, parents are less likely to enroll daughters than sons if school quality is poor. In other words, girls' enrollments tend to be especially sensitive to parents' perceptions of poor quality.³² Quality also has gender-specific dimensions. Removing gender stereotypes from textbooks and curricula can help raise educational quality for girls.

The emphasis on *primary* schools is important because this is the level most directly relevant to girls in countries with low enrollment rates. Girls who fail to enroll at the primary level cannot enroll at the secondary or higher levels. As long as primary completion rates for girls remain lower than those for boys, simply improving the performance of higher levels of schooling will have less impact on girls.

For USAID, these findings imply that achieving gains in girls' participation in basic education depends heavily on Missions' success in motivating governments to take steps to increase access and improve quality at the primary level. For many countries, this means increasing both overall funding for education as well as the share of the education budget going to primary schools. They also need to undertake measures to improve teaching methods

and the management of schools and overall educational systems.

Removal of specific barriers to girls' participation can also play a crucial role in boosting their enrollment. For example, in systems with separate schools for boys and girls, female teachers and administrators are indispensable to operate girls' schools. More generally, female teachers help allay parents' (often well-justified) concerns about male teachers harassing or abusing their daughters. Disciplinary policies for teachers who have abused students can play an important role as well.

In addition, the evaluation finds that in the countries examined, the direct and indirect costs of schooling are a greater barrier for girls than for boys enrolling and staying in school. Together with the evidence that basic education for girls offers higher social returns than for boys, this justifies government efforts to reduce the cost of girls' schooling, either by reducing school fees or by offering scholarships or other subsidies.

The experience of Guatemala, Malawi, and Uganda confirms that reducing the cost to families of sending girls to school can be effective in increasing their school enrollment and keeping them from dropping out. However, the experience of these countries also highlights the strain on public resources involved in large-scale measures to reduce the costs of educating girls, as well as the political difficulties of keeping such measures targeted on girls. Unless governments find new, sustainable sources of revenue to fund such measures, they are likely either to operate only on a token scale, or cause a deterioration in educational quality for all children. Careful targeting can help limit the budgetary impact of cost-reduction measures.

- **Increasing Girls' Completion Rates**

The evaluation shows that educational quality is also critical for increasing the percentage of girls who actually complete their primary education. This is true for boys as well, but parents seem to be quicker to withdraw their girls from school at the first perceived sign of educational failure. Many girls fall victim to such perceptions of failure in the very early grades, especially children from poor and illiterate households, who fail to surmount the barriers posed by the demands of national curricula. For those who stay, poor educational quality contributes to high rates of grade repetition. Repetition also means that more girls approach or reach puberty while still in primary school, which creates concerns that they will face sexual harassment by teachers or male students.

The evaluation identifies the cost to families of girls' schooling as a second major cause of early dropout. Both the direct and indirect costs to the family of keeping girls in school increase as they get older: the direct costs because parents must usually pay for more expensive books, uniforms, and other items for older girls; the indirect costs because of the increasing value of girls' time in performing household chores or jobs outside the home. The evaluation points to targeted fee waivers or subsidies as promising remedies, as long as the government is able and willing to fund them on a sustainable basis.

Additional barriers to girls' school completion include 1) the use of inappropriate testing procedures, especially where tests are used to winnow out a certain proportion of children to limit advancement to a higher grade or to secondary school, rather than to verify

that children have mastered a body of knowledge and skills; and 2) policies that force pregnant girls to withdraw from school. These affect many girls in countries where early marriage is the norm. USAID has actively promoted changes in such policies.

- **Impact on Boys of Improvements in Girls' Education**

In all countries examined, successful efforts to improve girls' educational participation helped boys as well. In Guinea, where the interventions were not gender targeted, boys' enrollments rose more than girls' in absolute terms, though the gender equity ratio improved. In Pakistan the provincial governments failed to target a larger proportion of school construction resources to girls. That contributed to greater absolute gains for boys, though girls' participation improved dramatically. In Malawi, the government's decision to extend free schooling to all meant that this originally girl-targeted measure improved access but compromised quality for both boys and girls. Finally, the New Unitary School model, applied on a pilot basis in Guatemala, provided an improved learning environment for boys and girls in the few schools where it was applied.

Even some of the strictly gender-targeted interventions turned out to benefit boys, sometimes in unexpected ways. The clearest example was found in Pakistan, where many parents chose to send their boys to new girls' schools, apparently because the female teachers in those schools were less likely to subject their students to the severe corporal punishment that male teachers

More and better primary schools available to girls are fundamental requirements for raising low enrollment rates among girls.

use in boys' schools. More broadly, efforts to improve the gender sensitivity of textbooks and other materials provide an opportunity to improve educational quality for all.

The evaluation suggests that *effective* efforts to improve schooling for girls will benefit boys as well, because to be successful, programs must tackle the overall inadequacies of the basic education system, inadequacies that constrain both boys and girls. Good intentions are not enough. Efforts directly targeting girls must be embedded in effective strategies to address the systemic educational problems.

- **Improving Educational Quality**

Donor efforts to improve educational quality are complicated by the fact that different stakeholders—parents, host governments, and donors—tend to have different notions of what “quality” means. Most poor countries provide too little funding for primary education, and spend too large a share of those funds on teacher salaries, rather than on textbooks and other learning materials. Teachers tend to rely too heavily on teaching methods that demand passive memorization by students, rather than active participation. Many countries' systems are geared toward the educational needs of the children of better-off urban families, while failing to respond to less-prepared-to-learn children of the poor and illiterate. The net result is that many children encounter educational failure in the earliest grades, are forced to repeat, and eventually drop out.

Several additional aspects of quality are more specific to girls. First, the sex of the teacher can make a significant difference. In countries with single-sex

schools, female teachers are indispensable for schooling girls. More broadly, female teachers tend to pose less of a threat of sexual abuse to girls and may be a stronger role model for them.

Revising textbooks and other educational materials to put girls and women in a favorable light and to remove the implication that they fill only subordinate roles in society can also help give girls a sense that their education will prove helpful in later life.

Most recently, USAID has begun placing increased emphasis on measures to decentralize control over basic education, in part to give local communities a stronger voice and greater control within the educational systems that deliver basic education to their children. This approach holds great promise in raising the quality of basic education, at least in terms of attuning it more closely to local needs. The impact of decentralization on educational quality as viewed by donors is less certain.

The findings presented in this chapter confirm the need for countries and donors to make serious and sustained efforts to improve educational quality. Promising efforts include shifting to more realistic curricular goals, using active teaching methods, introducing programs to increase children's initial readiness for school, placing greater reliance on female teachers, and taking vigorous steps to combat sexual harassment. USAID continues the heavy emphasis it has placed for years on identifying cost-effective measures to improve educational quality and on persuading governments to adopt them.

USAID and other donors can encourage governments to take steps to improve educational quality in these and

other ways. Unfortunately, the subtle and multidimensional nature of educational quality tends to restrict attention to the quantity and use of inputs, which are more easily observable than educational processes or learning outcomes. Indeed, the evaluation identified few efforts to tackle the broader dimensions of educational quality. Serious challenges include helping governments identify constraints to educational quality, including unrealistic expectations of early learning by poorly prepared children, outdated teaching methods, the inappropriate use of tests, and poor teacher motivation linked to poor incentive structures and systems of educational management. Persuading governments to take effective action to address these constraints can be very difficult. The title of the evaluation synthesis—*More, But Not Yet Better*—points to improved quality as the yet-unrealized key to improvements in educational participation for girls.

- **Achieving Sustainable Improvements**

Even the most promising donor initiatives in basic education will fail to make a large-scale and lasting difference unless the host country chooses to apply and sustain them as part of normal practice. The nature of educational development makes sustainability critical. For example, the finding that female teachers strongly benefit girls' educational participation is of limited use as long as few girls complete primary school and acquire the minimal capabilities to educate others.

The evaluation points to several conclusions about the sustainability of measures to improve educational access and quality for girls:

1. Governments need to understand at the outset that improving educational outcomes for girls will require substantial and often fundamental changes, including additional resources for primary schools and changes in the way the educational system is managed. USAID Missions must ensure that host country governments are fully committed to making and sustaining these changes. The Guatemala experience suggests that government desire to start with pilot programs should be taken as a warning sign that it may not have the commitment needed to scale up even the most successful of those pilots to a national level. Experience in Malawi and Uganda indicates that efforts to increase girls' participation without ensuring the availability of the classrooms and teachers to handle the resulting increase in demand can compromise quality and undermine sustainability, or create cynicism about the whole notion of education for all. USAID Missions can contribute to the growth of host country commitment by encouraging recognition of the advantages of shifting from an educational system based on selectivity to one that emphasizes inclusion. They can also work to build a shared vision of what is needed to accomplish that shift.

2. Bottom-up participation in and demand for expanded and improved basic education is just as important as developing commitment at the top. The engagement of NGOs and of communities has made the demand for girls' education visible, helped demonstrate that obstacles to girls' participation can be addressed successfully, and created a groundswell of support for basic education for all. The increasing involvement of communities in financing and managing basic education holds the promise

of local investments of time, ingenuity, skills, and money to complement and leverage national public sector investments. Decentralization also helps ensure that the education delivered in the local classroom fits the perceived needs of parents, rather than simply those of Ministry of Education officials in the capital. The evaluation concludes that

USAID can sustain its leadership role in donor coordination by focusing on the cost-effectiveness of donor investments for quality. If such efforts succeed, girls and boys will sustain the educational gains they have made during the past decade.³³

3. Another priority for enhancing the sustainability of educational improvements for girls is the need to undertake growth-friendly improvements in overall economic policies to complement sectoral improvements in education. On the one hand, improved and expanded basic education helps fuel economic growth by providing new members of the labor force—both male and female—with adequate basic skills. On the other hand, strong, sustained, and

equitable growth supports further improvements in basic education, both by providing the budgetary resources needed for additional investment in education, and by ensuring a growing demand for workers with basic skills from new and growing industries. The strong and relatively equitable growth record of countries in East Asia clearly demonstrates the importance of this “virtuous circle” between growth and education.³⁴

The findings of the USAID evaluation effort Focus on Girls have already helped change USAID’s thinking about girls’ education. Recent changes in the Agency Strategic Plan produced tighter integration between the goal of improved basic education for girls and the policy and program approaches USAID uses to advance this goal. The Agency plans to revise its operational guidance on basic education to incorporate the findings of the evaluation. These actions, together with the direct impact of the evaluation on the thinking of USAID education officers, are expected to result in lasting improvements in the way the Agency addresses the critical problems of girls’ educational participation and achievement.

V. CONCLUSION

USAID’s programs in basic and higher education address two very different aspects of the challenge of development. Basic education programs help partner countries move toward the goal of universal access to quality primary education. Progress in this arena allows a growing share of the population to contribute more strongly to the process of growth and development, and ensures that the benefits of development are broadly shared. The benefits of

basic education take many forms, including a more productive and adaptable workforce, improved family health and increased child survival, reduced fertility, and increased support for democracy. In many partner countries, particular groups—especially women—have historically suffered limited access to basic education. USAID devotes particular attention to removing barriers to the educational participation of such underserved groups.

4

POPULATION, HEALTH, AND NUTRITION

I. INTRODUCTION

Poor health and nutrition—particularly as it affects mothers and children—and rapid population growth cause human suffering and impede development.

The Agency places heavy emphasis on addressing the cause of these problems partly because a major American goal is to relieve suffering wherever it occurs, but also because USAID realizes that population pressures and general low health status of peoples can affect ecological, economic, political, and social stability. Stabilizing population growth can contribute to global economic growth, reduce environmental degradation, and promote political stability.

Protecting health can save lives, improve the quality of life, prevent humanitarian crises, and improve economic productivity. Giving families the ability to choose the number and spacing of their children makes tremendous contributions to maternal and child survival and empowers women and their families.

Decreasing the incidence of HIV/AIDS and other infectious diseases will protect hard-won gains in development, as well as reduce the threat of epidemics that can directly affect all citizens of the world. These programs serve U.S. national interests by protecting regional stability and promoting global economic growth that is environmentally sustainable. They reduce the risk of emergencies, particularly the conflicts that arise partly as a result of rapidly growing populations.

Population, health, and nutrition (PHN) have been major components of USAID activities since the Agency was established. This is evident in funding

trends and in current funding priorities. In 1997 USAID provided 756.1 million dollars in Development Assistance funds to these priorities, 46 percent of all Development Assistance dollars.

USAID is the leader and largest bilateral donor in family planning and child survival. As such, the Agency can claim significant credit for impressive achievements in improving health conditions in developing countries and in stabilizing world population. While population *growth* still places the world at risk, growth *rates* have plunged in the past two decades. Had they continued unabated at 1975 levels, there would be 174 million more people in developing countries today. Reductions in infant mortality during the period translate into almost 48 million infants' lives saved. On average, infant mortality in developing countries declined from 113 to about 64 per 1,000 live births.^{2,3}

In addition to efforts in family planning and child survival, USAID has taken on the challenges of reducing maternal mortality, reducing the impact of the HIV/AIDS pandemic, and reducing the threat of infectious diseases that pose serious public health risks.

In 1960, at the height of the population explosion, world population was 3 billion. In 1987, it reached 5 billion. It will pass 6 billion in 1999 and will continue to grow until at least the middle of the next century.¹

Other chapters have shown how countries are “graduating” from being recipients of foreign assistance. In this sector, as in all others, USAID recognizes that providing assistance that requires a continual transfusion of funds and expertise is not in the best interest of either USAID or recipient countries. As a result, one of the most important aspects of USAID’s work in PHN is building stronger health care systems, both public and private, whose improvements can be sustained after donors depart. It does little good to provide health services if these can only be sustained by outside donors. Because of the importance of this topic, it will be discussed in the theme section of this chapter.

For more than 30 years, USAID has been responsible for many significant program innovations in population, health, and nutrition. Implementation of USAID programs is done by the field Missions and regional bureaus, but they are supported in this by the Agency’s Population, Health, and Nutrition Center, which is a leader in technical support and research and evaluation. The Center provides pivotal support to bureaus, Missions, and stakeholders outside the Agency—host governments, nongovernmental organizations, bilateral and multilateral development organizations, university and research institutes, and the private sector. The Center’s technical support to the field has been the critical link through which research advances and program innovations have had an impact at the country level.⁴ The center also 1) provides a centralized system for contraceptive procurement and supports ministries of health in the logistics of contraceptive management; 2) funds biomedical research to increase understanding of contraceptive methods and to develop new fertility

regulation technologies; 3) manages operations and demographic research to improve the delivery and quality of family planning and reproductive health services; and 4) it develops methods to measure the impact of these efforts.

Strategic Framework for Stabilizing World Population and Protecting Human Health

Family planning remains an important part of USAID’s population and health portfolio. The Agency concentrates on increasing the availability and quality of services by strengthening programs run by government, local voluntary organizations, for-profit organizations, and commercial distribution channels. The Agency promotes policy dialog to create a supportive political and regulatory environment for family planning. It conducts interpersonal and mass communication programs to inform and motivate behavioral change. To increase access, USAID supports commercial marketing and community distribution of contraceptives. Finally, it develops innovative training methodologies to strengthen the managerial and technical skills of family planning and health personnel. USAID does not advocate or support abortion in any of its programs.

In **child health**, the Agency supports such cost-effective programs as breastfeeding, control and treatment of diarrheal diseases, control of pneumonia and meningitis, food supplementation, health education, immunization against childhood diseases, and water and sanitation. One of the more recent initiatives, carried out with the World Health Organization and other donors in conjunction with host governments, is an

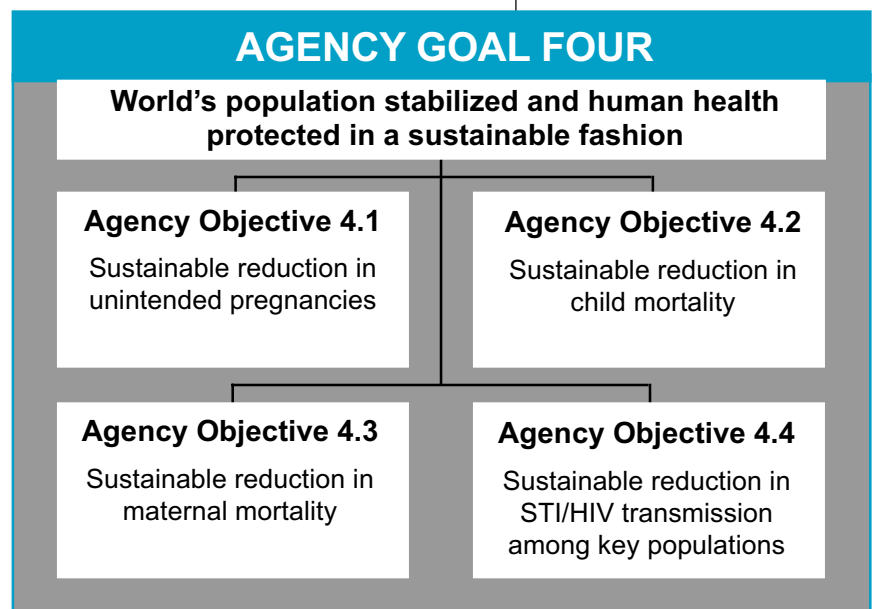
effort to integrate preventive and curative health care in the framework of the “Integrated Management of Childhood Illness,” in the belief that providing integrated services will be both more effective and more sustainable. Clearly, a major job for the next several years is to prove whether this initiative will actually result in better health.

Worldwide, nearly seven million children under 5 die each year because they are undernourished. An additional 180 million children are disabled by not having enough to eat.⁵ In response, USAID has a large food assistance program, integrating food assistance with child survival efforts in many countries to decrease malnutrition and increase household food security. USAID carries out this program in partnership with private voluntary organizations (PVOs), and the World Food Program.^{6,7} USAID’s Office of Private and Voluntary Cooperation gave child survival grants to PVOs that helped 18.7 million women and children during FY97.

Some 600,000 women die each year from complications of pregnancy and childbirth.⁸ When a mother dies, the risk of death for her children under 5 increases markedly. Agency programs in **maternal health**, therefore, serve a dual purpose, promoting the health of both women and children. Programs concentrate on family planning and reproductive health, good nutrition for girls and women, prenatal care—including birth preparedness, and diagnosis and treatment of complications of deliveries and ensuring that as many deliveries as possible are safe. In all cases, making maternal health services accessible and high quality reduces the morbidity and mortality associated with pregnancy.

The **HIV/AIDS** pandemic is an increasingly serious threat to health and economic and social development. In 1997 alone, there were some 5.8 million new HIV infections in adults and children.⁹ Prevention is the key defense against HIV/AIDS. USAID is the largest single donor in HIV/AIDS prevention. The Agency works to prevent HIV infections through behavioral change education, condom marketing programs, and control of sexually transmitted infections. It also supports behavioral change research, development of surveillance systems to measure disease prevalence, local capacity-building, monitoring and evaluation, policy reform, and women’s status and empowerment programs.

Other **infectious diseases** persist in the developing world, predominantly affecting infants and children. Basic child health services, such as vaccination, treatment of acute respiratory infections, malaria prevention and treatment, and control of diarrheal diseases with oral rehydration therapy all help



to reduce morbidity and mortality. In recent years, adult health has been threatened by infectious diseases such as malaria and tuberculosis. Treatment of these diseases is becoming more difficult because the bacteria that cause them are becoming increasingly resistant to drugs. In 1997, USAID launched an initiative to address four areas: malaria, tuberculosis, containment of antimicrobial resistance, and improvement of surveillance systems.

Distribution of USAID Programming

Of the 95 USAID country, regional, and headquarters offices, 58 had a total of 87 population, health, and nutrition objectives in 1997. Most had compound objectives, integrating family planning, child health and nutrition, and maternal health into single objectives. The aim of this approach is to increase effectiveness and efficiency by integrating health services that work together to produce the greatest improvements in health and increase the number of

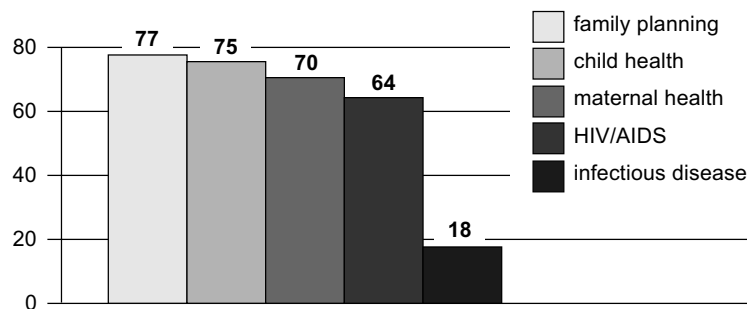
people served. When mothers bring their children to the clinic to be immunized, for example, they can receive their prenatal iron supplements or contraceptive supplies. Integration includes collaboration across government and private sectors in providing services.

USAID continues to support population, health, and nutrition activities in countries where there is no local Mission. Private voluntary organizations that are primary partners with the Bureau for Humanitarian Response's Food for Peace Program implement these programs.

In 1997 the **Africa** and the **Latin America and Caribbean** Bureaus had the most comprehensive PHN portfolios. In Africa, 20 strategic objectives addressed family planning, 19 supported child health, 12 covered maternal health, and 19 addressed HIV/AIDS control. In Latin America and the Caribbean the pattern was similar. Fourteen strategic objectives addressed family planning, 12 covered child health, 11 were dedicated to maternal health, and 10 supported HIV/AIDS interventions. In the **Asia and Near East** region, family planning, child health and maternal health had nine strategic objectives each supporting them. Seven strategic objectives support HIV/AIDS interventions.

High fertility has not been an issue in most of **eastern Europe and the new independent states**. In 1997 there were two strategic objectives concerned with child health and two with maternal health. This region concentrated more heavily on strengthening health systems, with seven strategic objectives in this area. In addition, six operating units had a special initiative to control infectious diseases.¹⁰

Figure 4.1
Percentage of Operating Units with PHN SOs, FY97
by Agency Objective



Overview

This chapter presents and analyzes progress toward USAID performance goals for each region and presents examples of operating unit success in meeting expectations. Section III, Highlights, illustrates what USAID did and what it achieved in the population, health, and nutrition goal in 1997.

USAID's work in strengthening health systems underpins its achievements in maternal and child health and nutrition, population, HIV/AIDS and infectious diseases. System-building activities that help enhance program effectiveness and accelerate program implementation lay the foundation for program and institutional sustainability. This area will be explored in section IV.

II. AGENCY PROGRESS

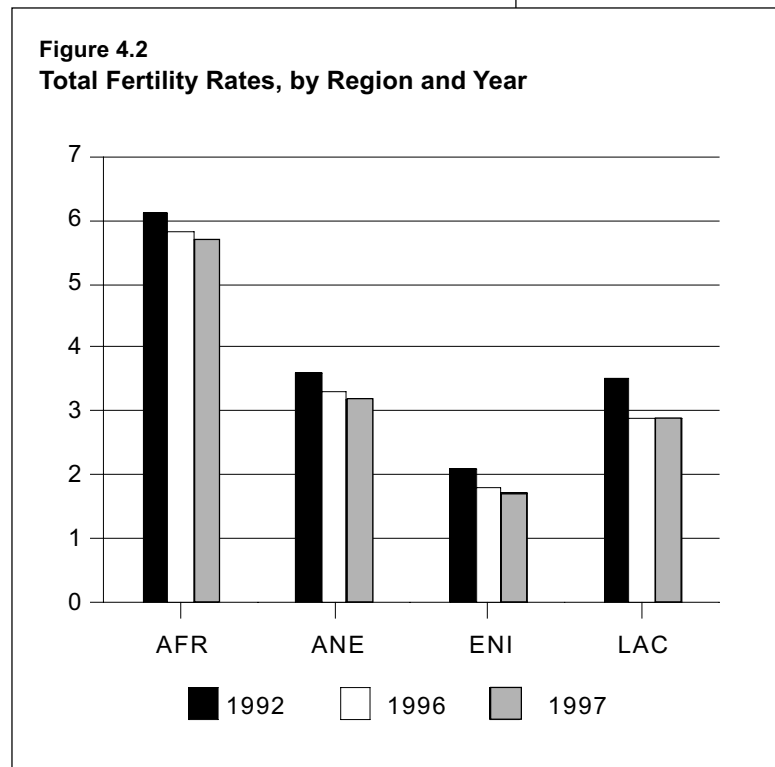
Country Development Trends

USAID established performance goals for each major area of population, health, and nutrition in its strategic plan. By the year 2007, USAID, working with other partners, expects to achieve the following:

- A 20 percent reduction in total fertility rates
- A 25 percent reduction in average mortality rates for infants and children under 5
- A reduction in the proportion of underweight children under 3
- A 10 percent reduction in the maternal mortality ratio
- A slowing of the rate of new HIV infections
- A reduction in deaths caused by infectious diseases (excluding HIV/AIDS).

Total Fertility Rate Reduced by 20 Percent

Figure 4.2 shows the progress made in achieving this goal through FY97.



Each region of the world where USAID works presents different challenges for population programs to address. As is seen in figure 4.2, sub-Saharan **Africa**'s population is growing faster than that of any other region in the world. Fertility remains high and contraceptive use remains low. Overall, the decrease in the total fertility rate is small. However, in various countries in the region, birth rates have declined steadily and offer evidence of USAID's and other donor efforts. The most impressive of these is **Kenya**, where total fertility fell from 7 children per woman in the early 1980s to 4.3 in 1997.

Asia and the Near East. This region has more than 60 percent of the world's population, so any change in fertility rates here has a tremendous impact on global trends. During 1996–97, the total fertility rate in USAID-assisted countries dropped from 3.3 to 3.2. Data from recent household surveys confirm this significant trend in fertility reduction. Bangladesh's decline has been particularly dramatic: from 4.2 in 1992 to 3.5 in 1997.¹¹

Europe and the new independent states. High fertility rates are not an issue in the region, except in the Central Asian republics. The fertility rate in most countries has fallen below "replacement fertility," or 2.1 children per woman. USAID's programs are directed toward introduction and use of modern contraceptive methods. In these places, access to quality family planning and reproductive health services has led to a significant drop in the number of abortions performed.

Latin America and the Caribbean. Fertility rates vary. Some countries have a fairly low and steadily decreasing fertility rate, such as Brazil and Jamaica

where the total fertility rate is 2.4. Other countries are lowering rates but still face challenges. Among these are Bolivia, where the 1992 fertility rate of 4.8 fell to 4.2 in 1997; Ecuador, from 3.8 to 2.9; and Haiti, from 5.4 to 4.8.¹²

Under-5 Mortality Rate Decreased by 25 Percent

USAID's goal of reducing under-5 mortality rates by 25 percent by 2007 contributes to achieving goals articulated at the World Summit for Children in 1990. USAID and other donors have done significant work in child survival programming and, as evidenced by figure 4.3, have made progress in meeting this goal.

As was true with population, each continent poses different problems to be addressed in improving child health. Rates of under-5 mortality are at a high level throughout **Africa**, with reductions continuing at a slow rate. The major causes of under-5 mortality are measles, malaria, acute respiratory infections, malnutrition, and diarrheal diseases. HIV/AIDS is becoming a significant cause of infant and child mortality. In some countries, HIV transmission from mother to child has slowed the trend of decreasing child mortality. Still, mass immunizations and malaria control programs have lowered child and infant mortality.

Asia and the Near East. This region has seen significant reductions in the past seven years, but rates are still high in some populous countries. USAID has seen good progress in countries where under-5 mortality is high and the Agency has substantial programs. India moved from 115.9 per 1,000 live births in 1992 to 94.3 in 1997, Indonesia from

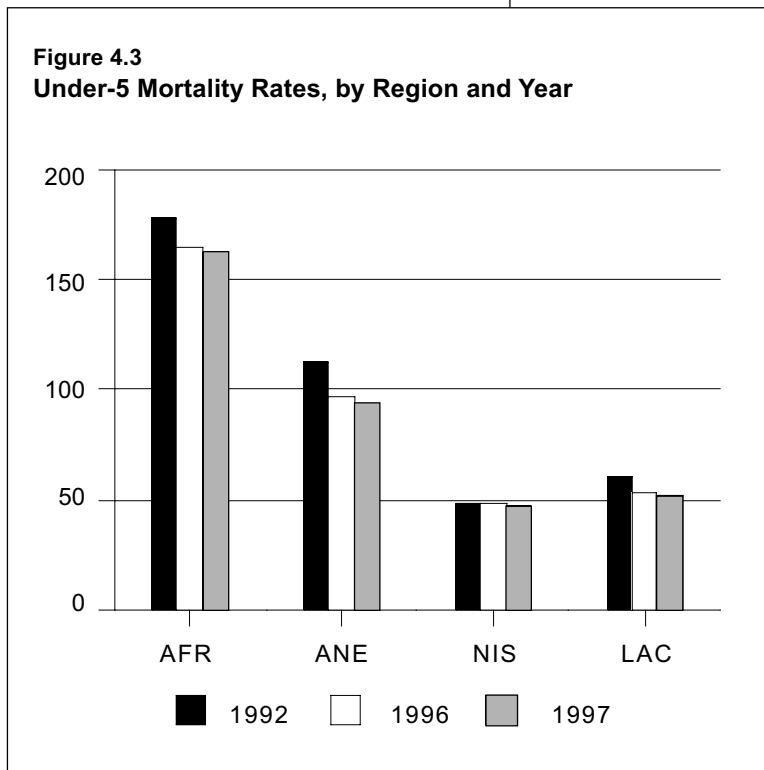
102.2 to 85.1, Nepal from 131.8 to 113.4, and Morocco from 85.1 to 70.5. For comparison, most developed countries have rates around 5 per 1,000 births. The primary killers of children in the region are malnutrition, diarrheal disease, acute respiratory infections, and vaccine-preventable diseases such as measles. The ANE region has the highest prevalence of child under-nutrition and vitamin A deficiency.¹³

Europe and the new independent states. Although the overall under-5 mortality in the region has been relatively low, there are large regional variations. Mortality rates are relatively high in Turkmenistan (91.0) and Tajikistan (128.7), relatively moderate in Georgia (56.9) and Ukraine (26.0), and very low in Slovenia (6.4).¹⁴ The main problems are related to breakdowns in the health care system, resulting in poor access to and availability of appropriate basic health care services.¹⁵

Latin America and the Caribbean. From 1996 to 1997 countries with USAID child survival programs showed an average of 4 percent declines in infant mortality rates, except for Haiti and Honduras, where the mortality rate dropped less than 1 percent. In several countries where USAID has had programs in child survival, there were large declines from 1992 through 1997. In Bolivia mortality dropped from 149.7 to 125.5, in Ecuador from 55.7 to 44.2, in Nicaragua from 71.9 to 57.6, and in Peru from 73.0 to 57.8. USAID is taking action to reduce Haiti's continued high under-5 mortality of 158.¹⁶

• **Other Performance Goals**

While data on total fertility rates and mortality rates for children under 5 are



generally available for USAID-assisted countries, collecting reliable data to measure progress toward USAID's other PHN goals—a 10 percent reduction in the maternal mortality ratio, a reduction in the proportion of underweight children under 3, slowing of the rate of new HIV infections, and a reduction in deaths due to infectious diseases (excluding HIV/AIDS)—is challenging. The Agency has found it difficult to construct indicators that are both reliable and available from all countries for the same time period. See table 4C in annex C for available data measuring these indicators. USAID is identifying proxies and other alternatives for measuring these performance goals, while discussions with other donors are under way to develop an international approach to improving data availability, comparability, and quality.

Monitoring USAID Program Performance in Population, Health, and Nutrition

USAID closely monitors its program performance. Each operating unit develops a strategic plan with several broad strategic objectives. Country programs' intermediate results link the programs and the strategic objectives. USAID monitors performance at both levels.

- **Data for Performance Monitoring**

Each USAID country program identifies performance indicators to measure progress toward each strategic objective and intermediate result. To measure performance, an indicator must have two elements: an annual performance goal (derived from baseline data) and actual data on performance during the year under review.

In 1997, 62 percent of PHN strategic objectives for operating units had both goals and actual data to measure performance relative to indicators. This is a significant improvement from 40 percent in 1996. The Agency also monitors performance reporting at the intermediate results level annually. Of the 257 intermediate results, 71 percent were supported by FY97 performance data.

- **1997 Performance: Bureaus' Technical Performance Assessments**

USAID also monitors the percentage of indicators for which annual goals are met or exceeded for each strategic objective. Of those PHN strategic objectives that reported full indicator data for 1997, goals were met or exceeded in 88 percent of the cases. They were not met in 12 percent of cases.

The indicator data tell only part of the performance story. To assess USAID's program performance, the regional bureaus in Washington complete a detailed annual technical review of each strategic objective, including its intermediate results. This review combines analysis of performance indicator data, qualitative evidence of progress, and performance trends and prospects.

Of 73 strategic objectives in support of the population, health, and nutrition goal, technical reviews by the regional bureaus judged that 32 percent exceeded performance expectations, 61 percent met expectations, and 7 percent fell short of expectations in 1997.¹⁷

- **Reasons for Performance Problems**

Programs often fell short of expectations because of political or other turmoil. For example, in **Albania**, performance suffered because of violence that broke out after a failed pyramid scheme and subsequent presidential elections. In **Nigeria**, all FY97 funds were withheld owing to Nigeria's being decertified for noncompliance with the war on drugs. This was further exacerbated by the closure of the USAID regional office in Abidjan, which had provided technical support to the program. In some situations, there were problems with the implementing partner. In **Colombia**, for example, the nongovernmental organization responsible for many activities under the PHN strategic objective experienced organizational problems and failed to coordinate activities and funds effectively.

III. HIGHLIGHTS

USAID-supported interventions achieved significant results in each of the five goal areas.

Reduction of Unintended and Mistimed Pregnancies

During 1997 the modern contraceptive prevalence rate for married women rose from 32.9 percent to 34.4 percent in 44 USAID-assisted countries. To improve access and quality, USAID expanded the number of family planning programs from 22 to 28 countries. It established national information, education, and communication task forces in more than 20 countries to increase advocacy for and public awareness of population and reproductive health issues. Through

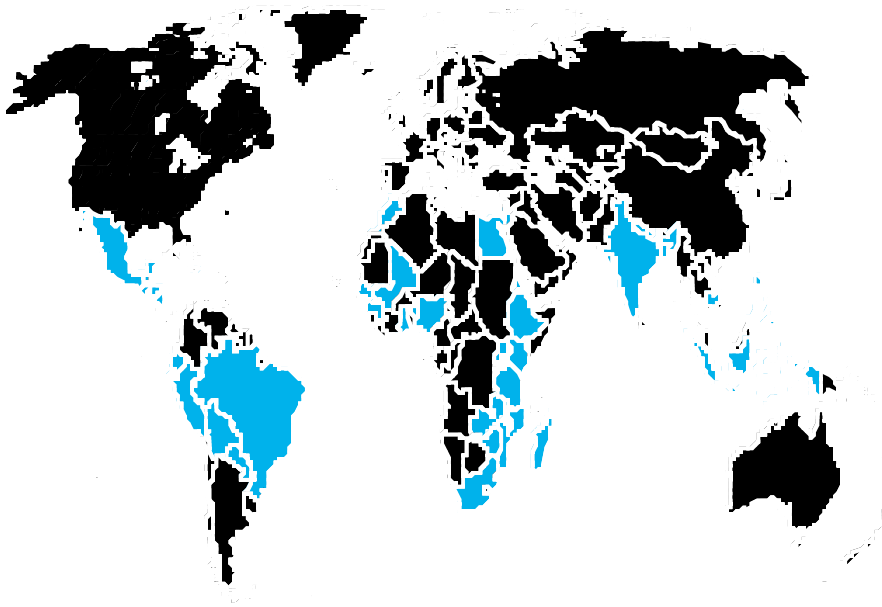
new public-private partnerships, the Agency leveraged \$2 million in private sector resources for family planning communication programs.¹⁸

- Africa

As already noted, increasing contraceptive use in **Kenya** has already begun to show an impact on total fertility rate. Modern contraceptive prevalence increased from 7.7 percent in 1984 to 31 percent in 1997 in Kenya, and the total fertility rate has fallen from 7 to 4.3 children per woman.¹⁹ The program has made a great effort to increase public access to family planning and has used commercial methods to market contraceptives. With USAID assistance, the Kenya program took the lead in

MAP 4.1

Objective 4.1: Reduction in Unintended and Mistimed Pregnancies



Country Programs

Bangladesh	Jordan
Benin	Kenya
Bolivia	Madagascar
Brazil	Malawi
Cambodia	Mali
Dominican Rep.	Mexico
Ecuador	Morocco
Egypt	Mozambique
El Salvador	Nepal
Eritrea	Nicaragua
Ethiopia	Nigeria
Ghana	Paraguay
Guatemala	Peru
Guinea	Philippines
Guyana	Senegal
Haiti	South Africa
Honduras	Tanzania
India	Uganda
Indonesia	Zambia
Jamaica	Zimbabwe

Regional Programs

- REDSO/ESA
- REDSO/WCA
- Sahel Regional
- African Sustainable Development

using user fees to increase revenue for nongovernmental organizations involved in family planning. Other countries, especially **Ghana**, are showing similar progress.

- **Asia and the Near East**

Egypt's modern contraceptive prevalence rate rose from 45.5 percent in 1995 to 51.8 percent in 1997. The USAID-supported national family planning program and nongovernmental organizations played a part, as did USAID's new high-profile private sector initiative to increase the private sector share of family planning services. In addition, the Ministry of Health and Population consolidated public services, placed a new policy emphasis on meeting the basic health needs of Egyptian women, and launched the aggressive Gold Star quality improvement program.²⁰

Indonesia's modern contraceptive prevalence rate continued to climb, largely because the government and USAID continued their long-term commitment to family planning. More than 61 percent of married women (35 million) used modern methods in 1997, up from 59.5 percent in 1996. USAID-funded efforts contributed substantially to this progress by helping six NGOs develop at least 117 clinics and by supporting provider training and communication interventions in major provinces.²¹

- **Latin America and the Caribbean**

In **Bolivia** in 1997, 40,000 new users of reproductive health services were registered in private health network programs that received funding and technical support from USAID. This was a 110 percent increase over 1996.

The USAID-funded social marketing program doubled contraceptive sales over 1996 levels: condom sales increased from 2.5 to 5 million and oral contraceptive sales increased from 350,000 to 600,000 cycles. USAID assistance in expanding commodity access and increasing advertisements of contraceptives contributed to these improvements.²²

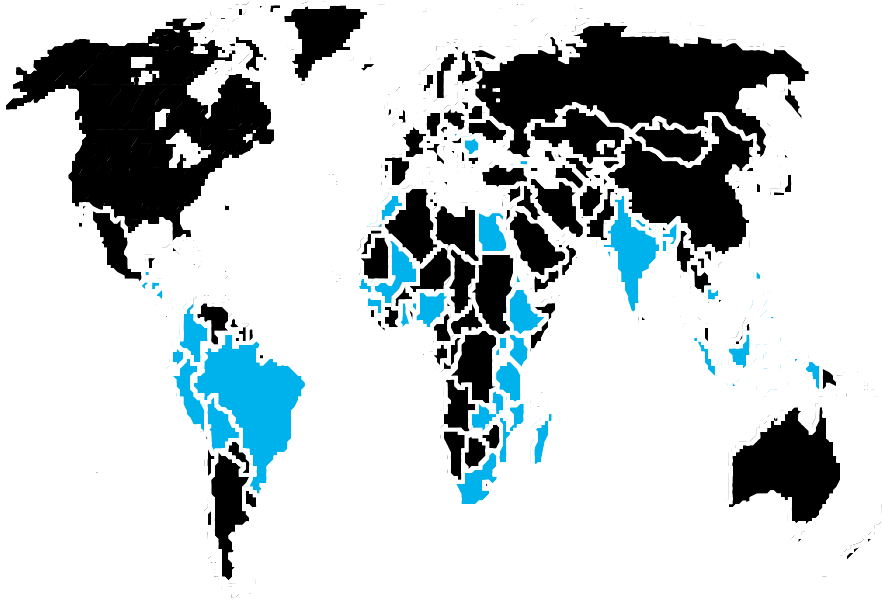
In **Peru**, 10 percent more couples used family planning than the USAID Mission had anticipated for 1997. That year marked the close of the Private Voluntary Family Planning project, in which USAID supported NGOs that provided family planning and reproductive health services for more than 200,000 users. Part of the project's success came from the use of a methodology called *autodiagnóstico*, whereby women identify and prioritize their own health problems. Reproductive tract infections, difficulties in childbirth, and too many children topped the list. This realization may have contributed to the increased use of family planning.

Improving Health and Nutrition and Reducing Mortality for Infants and Children

The percentage of children fully immunized by age 1 rose from 43 percent in 1996 to 49 percent in 1997 in 28 USAID-assisted countries. In 1997, WHO, USAID, and others launched a major new primary health care initiative, Integrated Management of Childhood Illness in 41 countries and supported research to develop more effective vaccines for acute respiratory illness and malaria. Working with

MAP 4.2

Objective 4.2: Improvement in Child Health and Nutrition



Country Programs

Albania	Madagascar
Bangladesh	Malawi
Benin	Mali
Bolivia	Morocco
Brazil	Mozambique
Cambodia	Nepal
Colombia	Nicaragua
Ecuador	Nigeria
Egypt	Peru
El Salvador	Philippines
Eritrea	Romania
Ethiopia	Senegal
Georgia	Slovakia
Ghana	South Africa
Guatemala	Sri Lanka
Guinea	Tanzania
Haiti	Uganda
Honduras	Zambia
India	Zimbabwe
Kenya	

Regional Programs

REDSO/ESA
 REDSO/WCA
 African Sustainable Development
 LAC Regional

Rotary International, USAID contributed to polio eradication efforts. The Agency also launched a vitamin A initiative to reach high-risk populations in priority countries.

• Africa

Before the recent conflict between **Eritrea** and **Ethiopia**, USAID supported interventions targeted to child survival. In the Eritrea Health and Population project, effective management and implementation of program activities increased vaccination coverage. The percentage of fully immunized children aged 12 to 23 months increased from 10 percent in 1996 to 35 percent in 1997. Ethiopia recorded even higher vaccination coverage. Immunization coverage of diphtheria, pertussis, and tetanus in target areas went from 60 percent in 1996 to 80 percent in

1997. Measles immunization coverage increased from 46 percent in 1996 to 61 percent in 1997. On polio immunization day, 83 percent of children were vaccinated in the first round.²³

USAID's assistance to village drug-revolving funds has made a difference in malaria treatment in **Malawi**. Sulphadoxine-pyrimethamine, a first-line antimalarial drug, was available in only 20 percent of rural private outlets in 1995; by 1997, 70 percent of the outlets had it. As local manufacture of the drug increased, the price fell from \$2 per treatment dose in 1995 to \$0.10 in 1997. Through USAID support, 64 drug-revolving funds were set up by U.S. PVOs to supply sulphadoxine-pyrimethamine for malaria and oral rehydration salts for diarrhea. The program, managed by female volunteers, sold medications on a cost-recovery

basis to villagers. The health surveillance assistance section of the Ministry of Health and participating nongovernmental organizations supervised.²⁴

- **Asia and the Near East**

India has the single largest development activity under USAID's Title II, Food for Peace. The government's Integrated Child Development Services program delivers health, nutrition, and preschool services to more than half of India's mothers and children. One U.S. PVO provides services to 6.6 million people a year. During FY97, the proportion of infants breast-fed within 8 hours after birth increased in the project area from 30 percent to 60 percent. The percentage of children under 2 completely immunized increased to 55 percent, compared with a baseline of 30 percent. Use of modern contraception to space births in the project areas increased to 20 percent, compared with 6 percent at baseline.²⁵

A child survival grant from USAID's Office of Private and Voluntary Cooperation helped increase vaccination coverage in Maluku Province in

Indonesia. Rather than training low-performing nurses in formal classrooms, the group had experienced nurses serve as peer trainers. The 1997 evaluation found nurses who received peer training increased the number of vaccines they gave by 40 percent. The cost of this approach is significantly lower than classroom training.²⁶

- **Europe and the New Independent States**

Under a partnership between Providence Hospital in Rhode Island and the Kosice Teaching Hospital in Slovakia,

USAID provided support for training and equipment for the **Slovakia** hospital's neonatal intensive-care unit. Early identification of high-risk mothers and infants lowered neonatal mortality from 11.0 per 1,000 newborns in 1995 to 6.2 per 1,000 in 1997.²⁷

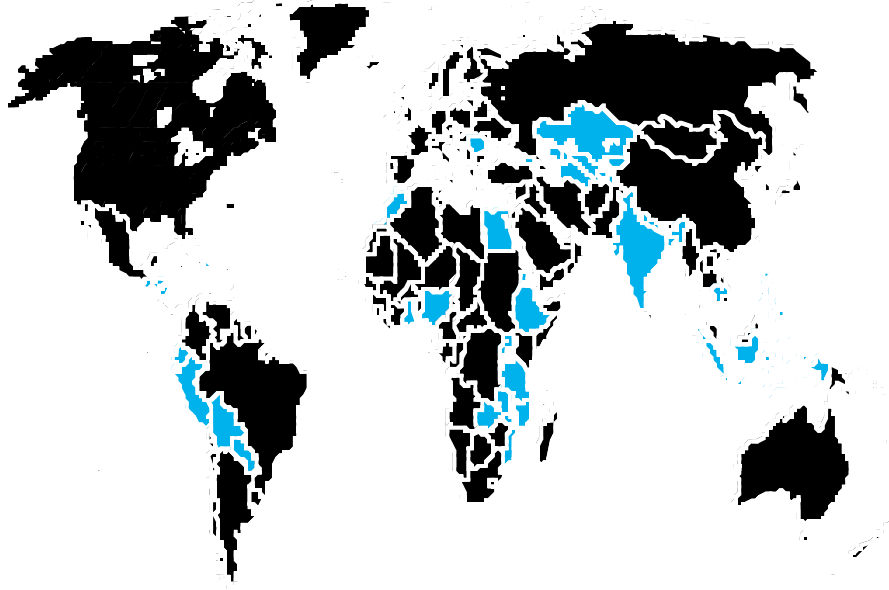
In **Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, and Uzbekistan,** USAID provided assistance to assess vaccine stock and review immunization policies and program operations. Activities included training in how to manage and maintain the vaccine cold chain. Teaching providers that immunizations can be given together and that they can be given despite minor illnesses resulted in an increase in vaccination coverage and a reduction in diphtheria cases from 1996 to 1997 (from 772 cases to 140 in Kazakhstan, and from 440 to 27 cases in Uzbekistan). In addition, 1997 vaccine budgets for these countries were reduced. Under the new system, for example, Moldova saved 33.5 percent of its national immunization budget.²⁸

- **Latin America and the Caribbean**

Honduras has had remarkable results in improving child health. As of 1997, it had the best record in Central America for children vaccinated against diphtheria, polio, tuberculosis, and measles—at or above 95 percent since 1993. USAID completed its 17-year rural water and sanitation construction program. Under that program, the Agency built more than 1,440 water and sanitation systems in rural areas, providing more than 858,600 people with safe drinking water. Health improvements were dramatic: diarrheal diseases were dropped from the leading to the third cause of death among infants. This

MAP 4.3

Objective 4.3: Reductions in Deaths during Pregnancy and Childbirth



Country Programs

Albania	Kyrgyzstan
Bangladesh	Malawi
Bolivia	Morocco
Cambodia	Mozambique
Dominican Rep.	Nepal
Ecuador	Nicaragua
Egypt	Nigeria
El Salvador	Paraguay
Eritrea	Peru
Ethiopia	Philippines
Georgia	Romania
Ghana	Tajikistan
Guatemala	Tanzania
Haiti	Turkmenistan
Honduras	Uganda
India	Uzbekistan
Indonesia	Zambia
Kazakhstan	

Regional Programs

REDSO/ESA
 REDSO/WCA
 African Sustainable Development
 LAC Regional

suggests that USAID successes in child survival are being sustained over the long term. Setbacks are likely, however, as a result of Hurricane Mitch.²⁹

Reduction of Death and Adverse Health Outcomes to Women as a Result of Pregnancy and Childbirth

USAID is currently reviewing the indicators used for this objective, because it is difficult to find reliable data measuring the outcomes of pregnancy. While maternal mortality data are reported, in the developing world these are rarely based on either vital statistics systems or on reliable surveys. At this point, the best indicator appears to be the percentage of women who are attended by medically trained health professionals during delivery.

• Africa

With USAID assistance, the Family Planning Unit of the Ministry of Health in **Tanzania** developed an accelerated training strategy to increase the number of dispensaries in the Lake Zone with at least one provider trained in reproductive health clinical skills. In 1997, 435 maternal child health nurses were trained, compared with 300 in 1996. The training curriculum covered exclusive breast-feeding and maternal and childhood nutrition, as well as adolescent reproductive health.³⁰

In the Mupanza Zonal Center in **Zambia**, a USAID quality assurance team analyzed the causes of low antenatal clinic visits, where only 17 percent of women delivering had been seen during pregnancy. Three fourths of the women cited lack of privacy as a major reason for not going in for a visit. When

A USAID-sponsored field study found that vitamin A supplements to pregnant women reduced maternal mortality by nearly 40 percent.

privacy screens were installed, attendance increased 40 percent. Following that success, other centers instituted similar privacy improvements.³¹

- **Asia and the Near East**

Morocco has achieved unprecedented advances in reducing maternal mortality. In three years (1995–97), maternal mortality fell from 332 to 228 per 100,000 births. A major contributor was a two-pronged government strategy: a sophisticated public education and advocacy campaign coupled with the introduction of improved essential obstetric care in hospitals in two regions. USAID developed and field-tested the improved care in 1996. It was later included as part of the UN Fund for Population Activities and European Union programs to cover other regions of Morocco, increasing its impact.³²

Micronutrient initiatives continued to make remarkable improvements in maternal health. In **Nepal**, a USAID-sponsored field study (1992–97) found that vitamin A supplements to pregnant women reduced maternal mortality by nearly 40 percent. USAID is committed to expanding vitamin A supplementation and is coordinating with partners to explore how best to do this.³³

- **Europe and the New Independent States**

In **Russia**, USAID has sponsored model family planning centers that provide services to the community and serve as training sites. In six pilot sites, the number of abortions dropped signifi-

cantly during the first three quarters of 1997 in comparison with the first three quarters of 1996. The largest decrease was 36 percent in Vladivostok, followed by 22 percent in Inanovo City, and 14 percent in Leningradski.³⁴

A USAID-supported facilities survey found that women’s health services improved in **Romania** in 1997. The Agency established the “family doctor model,” in which general practitioners receive training and are given increased responsibilities in family planning and counseling. USAID also provided technical assistance to the Ministry of Health on including reproductive health in the insurance benefits package as well as help defining which plan participants are eligible to receive such services.³⁵

- **Latin America and the Caribbean**

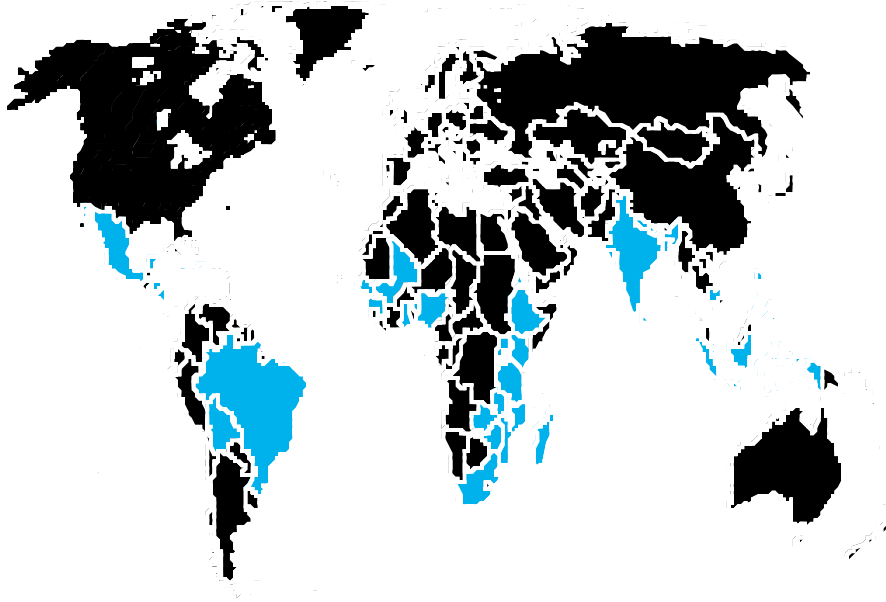
USAID and the Ministry of Health of **Guatemala** established a new community health model, the *Sistema Integral de Atención en Salud*. It provides a basic package of maternal and child health and other services primarily through NGOs. Preliminary data for 1997 showed that USAID support in four regions led to an 18 percent increase in access to basic services.³⁶

HIV Transmission and the Impact of the HIV/AIDS Pandemic Reduced

USAID has emerged as the global leader in addressing the HIV pandemic by developing global standards of practice for prevention of HIV transmission. In 1997 USAID began the implementation of its new HIV/AIDS strategy, designed in response to the growing

MAP 4.4

Objective 4.4: Reduction in Transmission and Impact of HIV/AIDS



Country Programs

Bangladesh	Madagascar
Benin	Malawi
Bolivia	Mali
Brazil	Mexico
Cambodia	Mozambique
Dominican Rep.	Nepal
Eritrea	Nicaragua
Ethiopia	Nigeria
Ghana	Philippines
Guinea	Senegal
Haiti	South Africa
Honduras	Sri Lanka
India	Tanzania
Indonesia	Uganda
Jamaica	Zambia
Kenya	Zimbabwe

Regional Programs

REDSO/ESA
REDSO/WCA
African Sustainable Development

LAC Regional
G/CAP

worldwide epidemic. This new strategy is based on the need for continued and expanded efforts to prevent HIV transmission, and a new emphasis on mitigating the diseases's impact on people and their communities.

USAID is a founding member and major contributor to the International HIV/AIDS Alliance, which has established NGO support programs in eight countries. This program has proven effective in transferring donor resources to local-level organizations and in expanding HIV/AIDS prevention programs through established NGO networks. Many of the 500 organizations that have received alliance support to date were already providing other, non-HIV/AIDS-related services to their communities.

In the last year, USAID has collaborated with UNAIDS, the United Nations AIDS program, to develop new, improved "Guidelines for Sentinel Surveillance Systems." These guidelines are currently under review and are scheduled for publication and worldwide distribution by UNAIDS in 1999.

- **Africa**

USAID has undertaken policy development and field studies on HIV/AIDS in **Kenya**. In 1997, the Kenyan government articulated its first national policy to combat the epidemic during the next 15 years. This was a major step toward rational allocation of resources for HIV/AIDS prevention and treatment. USAID met significant policy targets by establishing two HIV/AIDS networks, one for NGOs and one for churches. Both groups concentrate on

policy and advocacy for AIDS prevention and care at the national and local levels. To ensure that policymakers understand the epidemic's evolution and implications, USAID continues to assist the National AIDS/Sexually Transmitted Disease Control Program in interpreting, disseminating, and evaluating sentinel surveillance and behavioral data.³⁷

In July 1997, a USAID-supported contractor launched a female condom in **Zimbabwe**, under the brand name "Care." This was the culmination of an aggressive national campaign waged by Zimbabwean women to pressure the government to approve the female condom. Because of the disproportionate number of women with HIV/AIDS, more than 20,000 people signed a petition demanding its approval. In the first four weeks, 46,000 female condoms were sold in three cities; within a year, 126,000 were sold—four times the target. As the first national female condom launch in the world, the "Care" experience has become a model for other African countries.³⁸

- **Asia and the Near East**

The USAID Mission in **India** addressed its objective for HIV prevention through two complementary programs, one in the public sector and one in the private. The AIDS Prevention and Control Program dealt primarily with the private commercial sector and nongovernmental organizations. The Tamil Nadu State AIDS Control Society implemented the public sector program. The two programs brought about significant behavioral changes. Two of the three male risk groups—truck drivers and their helpers, and male factory workers—said they had fewer nonregular sexual partnerships in the past year. The per-

centage of truck drivers and their helpers who reported visiting at least one sex worker during the past year dropped from 38 percent to 27 percent. In addition, the proportion of men who used condoms with their nonregular sex partners increased from 37 percent to 47 percent in 1997.³⁹

- **Latin America and the Caribbean**

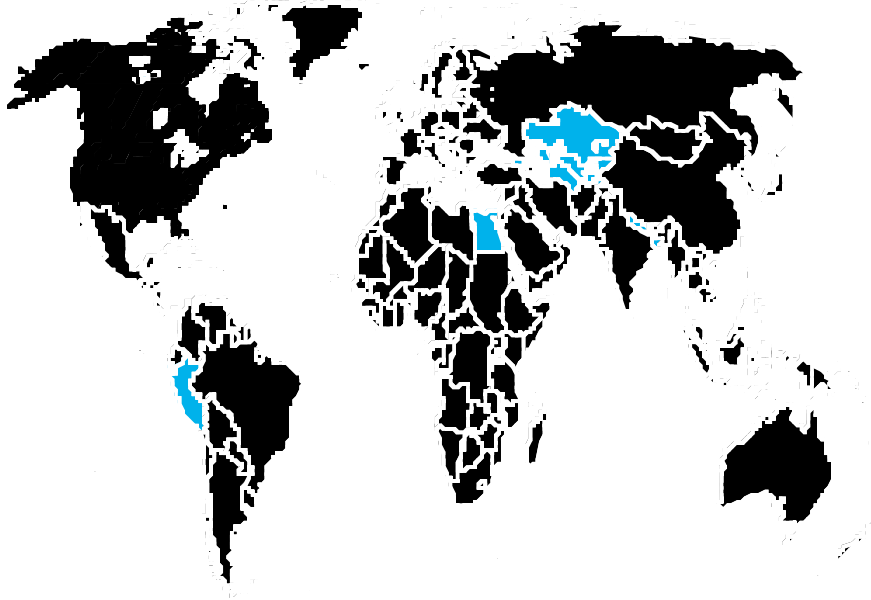
Working primarily in the **Brazilian** states of São Paulo and Rio de Janeiro, the USAID funded AIDSCAP project, which ended in 1997, applied three strategies to contain the spread of sexually transmitted HIV infections: reducing sexually transmitted infections, reducing high-risk sexual behavior through behavior change communication, and improving the quality, accessibility, and affordability of condoms. In one major center of AIDS infection, the city of Santos, whereas 416 new cases of AIDS were reported in 1994, only 249 were reported in the last year of the project. This is particularly striking since the project initiated an improved surveillance system, which would normally be expected to increase the number of cases found. With World Bank financing, Brazil's Ministry of Health is replicating this strategy in other cities.⁴⁰

- **Europe and the New Independent States**

USAID is supporting the World Health Organization's Sexually Transmitted Diseases Task Force, which collaborates with UNAIDS, the Joint United Nations Program on HIV/AIDS, in **Romania, Russia, and Ukraine**. In addition, in 1997, various NGOs, the Women's Reproductive Health Program, and the Hospital Partnerships program undertook HIV/AIDS educa-

MAP 4.5

Objective 4.5: Reduction in Threat of Infectious Diseases



Country Programs

Bangladesh
Egypt
Georgia
Kazakhstan
Kyrgyzstan
Nepal
Peru
Tajikistan
Turkmenistan
Uzbekistan

Regional Programs

none

tion, community prevention and advocacy, health provider education, and improved disease management and diagnosis.⁴¹

In **Romania**, U.S. PVOs have trained families with HIV-positive children and expanded foster parenting, domestic adoptions, and family unification. In addition, they have provided HIV/AIDS information to adolescents and expanded community activities to improve care for abandoned HIV-positive children.

Reducing the Threat of Infectious Diseases of Major Public Health Importance

In 1997, USAID worked closely with partners to develop a new strategy to address infectious diseases that threaten public health in developing countries. A growing number of Missions re-

sponded by expanding their efforts to monitor and combat infectious diseases. Since this is a new initiative, program results are not yet available.

Despite the apparent newness of this initiative, USAID has long been concerned with the threat of infectious diseases around the world, ever since the Agency was a major funder of the successful eradication of smallpox in the 1960s. The following activities do not, strictly speaking, fall under the new infectious disease initiative. But they do illustrate USAID’s long-standing concern about the burden of infectious diseases, and they describe existing programs addressing this serious problem.

- **Africa**

This region has borne the greatest burden of infectious disease mortality and

morbidity and has been eager to take full advantage of the new funds for infectious disease control. During planning for this objective in 1997, most USAID Missions concentrated on malaria and disease surveillance. They also worked on more appropriate use of antibiotics, especially in the context of antimalarial drug efficacy and treatment policy. Funds and future programming will go to applied research on community-based approaches to control infectious diseases.

Ghana is addressing malaria with USAID assistance in a new child survival strategy drafted in 1997 that integrates malaria prevention and treatment in the case management of the sick child. USAID is working in **Mozambique** with the government's National Health Institute, the World Health Organization, and UNICEF to assess the efficacy of antimalarial drugs and improved case-management procedures. The group is also working on strengthening institutional capacity for routine drug resistance studies in the health ministry and designing a multi-donor initiative to improve the integrated management of childhood illness, concentrating on treatment and case management of malaria. In **Zambia**, USAID and the Embassy of Japan cofunded an expanded malaria control effort as part of a larger package including addressing vitamin A deficiency and diarrheal disease control.

- **Asia and the Near East**

USAID has contributed to polio eradication efforts in **Bangladesh** by assisting in the development of a surveillance system for polio and the related

syndrome of acute flaccid paralysis. In 1997, as a result of USAID and other donor support, Bangladesh met two major surveillance criteria: investigation of acute flaccid paralysis cases within 48 hours of notification (82 percent of the cases met this criterion), and the arrival of stool specimens to the laboratory within 72 hours (89 percent of cases).⁴²

USAID works in **Egypt**, through the National Schistosomiasis Control Program, and has contributed to the development of new tools and approaches, resulting in a continued drop in the prevalence of this illness. Prevalence of schistosomiasis mansoni in school children in Kafr El Sheikh, for example, was 11.5 percent, which met the planned target.⁴³

- **Europe and the New Independent States**

With multidrug-resistant tuberculosis increasing in the new independent states, USAID developed a TB-control initiative. In central Asia, the initiative modernized existing TB diagnostic, treatment, and control practices in **Kazakstan** and **Kyrgyzstan**. Accomplishments included training 400 physicians and health care workers, initiating information campaigns, and providing laboratory supplies. Because of USAID's efforts, the president of Kazakstan signed a decree to implement WHO-recommended TB therapy guidelines nationwide. In addition to TB control, USAID has been a major contributor of technical assistance, immunization support, and vaccine distribution in the region, resulting in a 33 percent decline in the cost of immunizations in these countries.

IV. STRENGTHENING HEALTH SYSTEMS: ACHIEVING DEVELOPMENT IMPACT THAT LEADS TO SUSTAINABLE CHANGE

USAID's priorities in child survival, family planning, and public health have been unwavering over the years, as the Agency has sought to improve quality of life and promote economic development and growth by targeting leading population, health, and nutrition problems. In cooperation with its partners, USAID has made impressive advances and learned many lessons in the process. One lesson is that sustainable public health improvements can only be achieved through initiatives that tackle several fronts. While it is important to provide direct services and commodities to combat specific diseases or problems, such as child mortality, it is equally or more important to develop and strengthen the systems that underpin health sector programs. An essential part of the Agency's mission is building local capacity that will enable host countries to be self-reliant and continue to improve health after USAID no longer needs to provide assistance.

USAID develops and strengthens health care systems to make programs that provide direct services more effective and to ensure that the health sector can continue to respond to the needs of the people as donors reduce their assistance. During 1997 the Agency's work in this vital part of its portfolio was broad based and quite successful. Fourteen of the 58 countries with PHN programs, and three of the four regional programs, cited results from activities aimed at strengthening health systems. This section takes a look at some of the progress described in 1997 evaluations and Mission reports. It demonstrates

that results from USAID's activities that can be difficult to quantify nonetheless yield some of the Agency's most significant contributions to sustainable development.

For example, evaluations of five PHN projects in the ENI region found that, in a short time, USAID programs made an impact on problems endemic to the old Soviet-style health system leading to changes at pilot sites that could have national-level impact. In other parts of the world, evaluators looking at **Turkey's** family planning program and the **Philippines'** health sector reform concluded that USAID's effort to strengthen indigenous systems enabled these countries to assume responsibility for responding to the health care needs of their people and advance their long-term goals. Another USAID effort that was highly effective established a sustainable program to address urban sanitation needs in **Jamaica**. **Mozambique's** strategy to restructure and strengthen its health care system is a comprehensive approach to its public health problems, timed to take advantage of a period of economic growth. Each of these will be addressed in more detail below.

What Is the Health Care System?

It is necessary to understand the nature of a health care system to understand why these systems need to be strengthened and why development agencies such as USAID should become in-

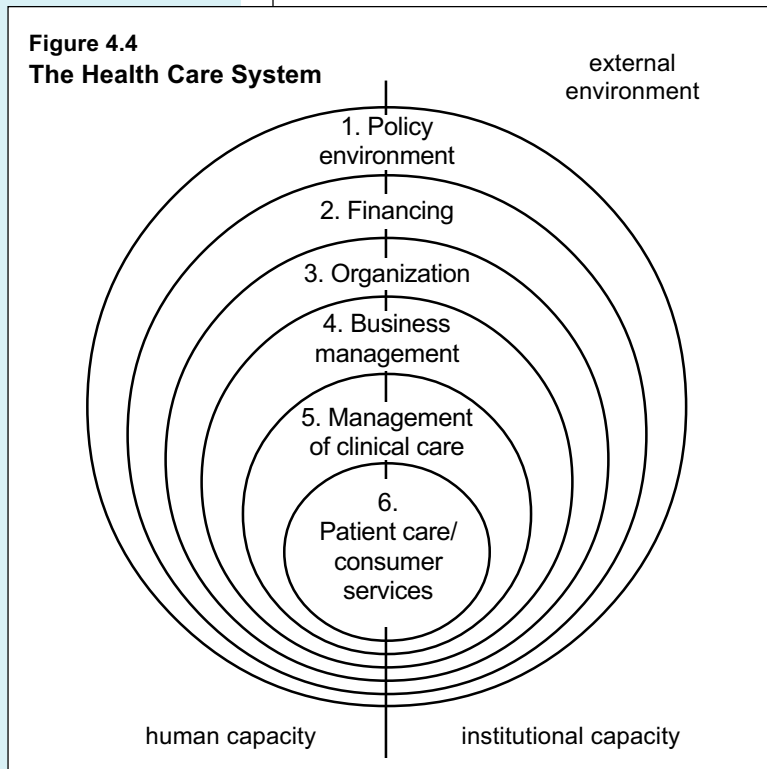
involved in this type of work. While we sometimes think of health care as a collection of separate activities—immunizations, hospitals, medicines, and so on, actually all of these different pieces are linked together. They must all function in concert if a viable, self-sustaining health care sector is to exist. Since it is sometimes hard to visualize the pieces, figure 4.4 illustrates how some of the more important aspects fit together.

The figure shows the six most basic health system components and how they relate to the consumer. The whole system is surrounded by an external environment that includes the legal, economic, political, cultural, and social situation in the country. Local stakeholders and donors often exert influence in this sphere, which includes government decisions about the budget, respective roles of central and local

governments relative to that of the private sector, and the social safety net. Inside this greater environment, the first circle contains overarching health sector policies—such as whether services will be provided by the public or private sector—that affects all smaller circles. The second circle then addresses health financing—which is obviously influenced by outer circles, such as budget allocations—and which plays a crucial role in determining the type and availability of services in a country. The mix of public and private funding sources determines the amount of resources that will be available for health care and how these will be raised and channeled into the health care sector.

Organization of health care services, the third circle in, includes the number, location of services, catchment area, and distribution of inpatient and outpatient facilities as well as public and private institutions. Fourth, business management affects how services are provided. This includes budgeting, information technology, accounting, contracting, human resource management, facility maintenance and purchase and distribution of pharmaceuticals, supplies, and equipment.

With the fifth circle we find the first place that the consumer ‘sees’ the impact of all the above. Here is where clinical care is managed, including determining the mix of preventive and curative services, standards and quality of care, credentialing of providers, the mix of providers and support personnel, and use of formularies, medical records, and other support services. Finally, in the very center, is the heart of the system, where people in need of health care meet the providers who will give it to them.



For the system to work, each level must have people who can do their jobs effectively and institutions where the work can be done. Personnel and institutional issues must be addressed. If there are no trained staff, an immaculate clinic can provide no services. If there is no vaccine, the best trained staff cannot provide immunizations.

With this brief description in mind, visualize the consumer at the moment he or she receives a health care service. For effective services to be available, all components of the system must be in place. Because the system is interconnected, each component influences how the others perform. If one is malfunctioning, the entire system is affected. For example, if financing for family planning services is not available, clinics cannot pay their professional staff. Fractured business management, such as weak distribution systems, may mean that drugs will become outdated in a warehouse before reaching sick children. If primary health care professionals are not adequately trained, more funding for outpatient facilities will have little impact on the early diagnosis and treatment of infectious diseases. Without adequate information, physicians will unintentionally prescribe readily available, yet ineffective, costly drugs. All pieces need to be in place.

The Role of Donors

Fundamentally, donors become involved because local health care systems are either nonexistent or unable to deal effectively with problems. Depending on the level of health systems in USAID-assisted countries, the donor's role ranges from acting as the substitute for the host country, filling gaps in

the system, to acting as partner, coach, and collaborator in program implementation. As local capacity grows, the role changes. For example, when USAID initially targets an issue, such as child survival or family planning, existing weaknesses must be addressed by creating the basic, local capacity needed to implement the program—that is, providing a service delivery system. Where countries are more developed, donors serve as intermittent expert consultants to organizations in the country, working to improve the performance of their health sector. System strengthening assumes that a health care system already exists in some form and can be bolstered with help from the outside.

USAID Experience in System Strengthening

Over the course of the decades that USAID has been supporting improved health for people around the globe, there have been many different approaches. One of the most common has been to address a single health problem, such as smallpox in the '60s, diarrhea and dehydration in the '80s, or HIV/AIDS in the '90s. This type of program is called either “categorical,” because it addresses specific categories of ill health, or “vertical,” because it attempts to build a single program in a country that meets all the needs of a particular health campaign. This kind of program is the easiest to understand because one can speak of programs providing immunizations or addressing the problem of diarrhea, and not get into the complex detail of the whole health system. Alternatively, one can attempt to strengthen a broad array of the problems in a health care system, trying to

make all the pieces fit together. This approach can be considered to be “horizontal,” “comprehensive,” or “cross-cutting.” The specific setting determines which of these approaches should be used in any particular country.

Examples of Global and Regional Health System Strengthening Activities

CEE Promotion of Health Markets Project
Data for Decision Making Project
Family Planning Management Development Project
Health and Human Resources in Africa
Health Financing and Sustainability Project (HFS I and II)
LAC Health Priorities Project
Latin American Health and Nutrition Sustainability
Manufacturing Technology Transfer Assistance (MTTA)
MEASURE Project
NIS Health Care Financing and Service Delivery Reform Project (*ZdravReform*)
Partners for Health reform
POLICY Project
PROFIT project
Quality Assurance Project
Rational Pharmaceutical Management Project
REDSO/East and South Africa Health Networking

Health system strengthening has been a subsidiary focus of other global and regional activities including

BASICS Project (Basic Support for Institutionalizing Child Survival)
Centers for Disease Control and Prevention
Environmental Health Project
EQUITY Project (Bridging primary health care training component)
FOCUS on Young Adults
Health and Human Resource Analysis for Africa
Health Tech
Hospital Partnerships Project
POPTECH Project

• Two Approaches

USAID has pursued both of these two strategies to strengthen health systems. The first uses a program directed at a single issue, such as family planning, or a leading cause of death or disability as the entry point from which systems-strengthening takes place. Examples of some of these were given in the previous section. To create a durable family planning program, systems are built around it to support service delivery. These might include introducing procedures for conducting competitive procurement of commodities and managing logistics. Other initiatives have included training primary care physicians to provide family planning services, including contraceptives, in the social insurance benefit package, and providing initial capitalization for NGOs to promote or provide services. These systems are sometimes scaled up to benefit the entire sector, but initially they exist to sustain the core program.

The horizontal approach improves performance of elements that cut across all aspects of the health sector. These improvements benefit not only family planning, child survival, and public health, but all health sector programs. These can include health information systems, personnel systems, and broad based training systems.

The box at left names some health system strengthening projects, illustrating the many approaches that the Agency takes in making health systems work effectively and sustainably.

- **Regional Frameworks
Address System Strengthening**

In FY97 some regional bureaus began to synthesize years of development assistance experience by drafting conceptual frameworks that reflected what was needed for sustainable change in the health care sector. The frameworks reflected differing regional environments as well as common challenges faced by health care systems in all regions.

The Africa Bureau developed a conceptual framework for measuring the sustainability of health and family planning. Sustainable systems, including financial sustainability, institutional capacity, and a favorable health policy environment, are prerequisites for countries to be able to assume responsibility for programs and health outcomes.

The framework developed by the Bureau for Europe and the New Independent States is organized around the goal of improving sustainability of health benefits and services. It incorporates elements of the macro-economic restructuring and democratization agenda for the region, showing that these are tightly linked to health sector performance.

The Bureau for Latin America and the Caribbean collaborated with the Pan American Health Organization (PAHO) to develop a framework for health care reform leading to equitable access to basic health care on a sustainable basis. The bureau developed a methodology to assess progress in health systems development and reform, and selected indicators to monitor local capacity-building and progress.

Results of USAID's System Strengthening Activities

For more than 15 years, USAID has pursued long-term strategies that would result in the transfer of leadership for achieving program goals from donors to indigenous public and private organizations. Training, technical assistance, and grants concentrated on developing institutions, technical operating procedures, and professional skills to sustain a functional health care system without day-to-day guidance from donor-funded outside advisers. During 1997, Agency evaluations of projects and results reported by USAID Missions demonstrated that progress is being made. The new systems USAID introduced are becoming ingrained in the local health care culture, making gains less likely to be reversed and ensuring prospects for continuous progress.

Many of the 1997 evaluations reported on below were done in the states of the former Soviet bloc, but this was more an accident of the project cycle than a reflection of differing approaches in different parts of the world. While the bulk of the next section looks at Europe and the new independent states, several examples of system strengthening from other parts of the world round out the discussion.

U.S. hospitals were charged with introducing Western methodologies and modern technology to address the leading causes of death and disability.

In the New Independent States: Sustainable Changes Through Categorical and Horizontal System Strengthening

Background: When communism collapsed in 1991, the economic crisis in the new independent states hurt the health sector. The health care budget dropped from already low levels. The maldistribution of resources worsened to the point that inpatient care consumed 70 percent of the health care budget. Commodity supply lines broke down and epidemics threatened to overwhelm thinly stretched health care systems. The system was also burdened by an oversupply of specialty physicians and hospital beds, a medical profession with outdated clinical skills, and an undereducated nursing corps with low professional standing. Alarming consequences were feared since life expectancy of adult males had been declining for 20 years and was already 10 years below Western levels.

As the centralized Soviet system deteriorated, health officials in Central Asia and **Ukraine** suddenly found themselves responsible for national health care policy, financing and delivery, all of which the Soviet government had previously handled. In **Russia** itself, the devolution of responsibility and financing for health severely tested local officials, who had no experience with facility budgeting, management, information-based decision-making, or competitive procurement.

Under the NIS Health Care Improvement project, USAID launched both categorical and cross-cutting systems-strengthening initiatives to support the transition.

Categorical Programs as the Entry Point for System Strengthening

1. The Hospital Partnerships project linked hospitals in the United States with counterparts in the new independent states. American partners were charged with introducing Western methodologies and modern technology to address the leading causes of death and disability in the region. The effort improved human and institutional capabilities and bettered clinical care management.

In 1992, at the inception of the project, U.S. partners found a significant lack of basic knowledge and an almost complete absence of a true scientific, evidence-based approach to health and medical decision-making because health care professionals in eastern Europe and the new independent states had operated in isolation from modern research advances in medicine and management.⁴⁴

Through clinical exchanges with American partners and training in the use and benefits of information technology, physicians in the region began modernizing medical practice.⁴⁵ An introduction to information technology, for instance, brought a new way of thinking. Physicians learned how to access updated medical research from the Internet, journals, medical libraries, and evidence-based medical sources,

such as the Cochrane Collection. Now, at partner hospitals, 5,400 health care providers can search these sources. Information coordinators respond to 900 requests and train 400 colleagues every month.⁴⁶ Partners are also using Internet and videoconferencing technology 1) to conduct medical consultations on difficult cases, 2) for telemedicine and distance learning, and 3) to enhance partnership communication. Western medicine is rapidly being fully integrated into the medical practice of the new independent states.

Because nurses fill such a vital role in Western medicine, their underutilization in NIS institutions was a barrier to modernizing clinical care. The American International Health Alliance assembled a task force to facilitate a coordinated approach to strengthening the nurses' clinical, educational, and managerial capacities. Professional associations were formed in **Georgia, Kyrgyzstan, Russia, and Ukraine**. The task force developed an appeal for nursing reform and revamped education curricula. Nurses assumed leadership roles in hospitals and local and regional health administrations. As of 1997, the momentum of these results was increasing. The Council of NIS Ministers of Health cited the importance of improved nursing as a central source of improved productivity in the health care systems.⁴⁷

2. Fighting a diphtheria epidemic. Characterized by WHO as the “biggest public health threat in Europe since World War II,” a totally unexpected diphtheria epidemic triggered the USAID infectious disease program in **Russia** in 1992.⁴⁸ Teams deployed to

the new independent states to deliver vaccines and syringes on an emergency basis quickly realized the epidemic could overwhelm the public health care system, which was at the point of collapse. USAID's leadership attracted the attention of other donors, and together they gradually broadened their initial focus from targeting a specific disease to strengthening local capacity to manage the full spectrum of infectious diseases in an effective and sustainable way.

In the Lessons Learned section of the evaluation report, the team wrote, “The most important contributions that USAID interventions have made to public health in the NIS are improvements in program management.”⁴⁹ Evaluators cited USAID's contributions in numerous areas, such as computerization of information, creating local capacities for policy review, disease surveillance, and management of vaccine stocks. The Agency also assisted in establishing management systems to monitor vaccine coverage; new methods of information, education, and communications for consumers; product registration; systematic procurement methods; training and supervision of front-line workers; and vaccine quality control. The evaluators concluded that in addition to financial savings and uninterrupted immunization, public health programs will be able to sustain themselves.⁵⁰

These findings echo more than 10 years of experience with immunization programs to improve child survival where managers found that vaccine delivery would not solve the long-term problems. Initiatives had to include capacity-building on a more comprehensive scale to have a lasting impact.

Horizontal Strategies for System Strengthening

Health Care Financing and Service Delivery Reform Project (ZdravReform). *ZdravReform* was designed to bolster consumer confidence in the political and economic reform agenda by improving the health care system and providing a market-oriented alternative to the Soviet model.

To give reforms a human face, community-based care became a priority. Components of the health care system in pilot sites were restructured using different strategies as appropriate for differing local conditions. The goal for all was better quality and more efficient patient care, with improved patient and provider satisfaction.

By 1997 the results were dramatic. In pilot sites, 180 family group practices were established. For the first time, patients had a choice of physicians. Insurance systems were created, and physicians were retrained in modern primary care. At some sites physicians were given special instruction about family planning and early diagnosis and treatment of infectious disease. They were also offered the opportunity to practice in refurbished facilities and to sign contracts, increasing their pay in return for higher performance. Accounting systems were established and people were trained in facility management.

Giving high visibility to the new consumer-oriented services were advertisements and slogans touting the availability of family planning at the family group practice and the time-saving benefits of one-stop shopping. Patients and providers expressed high satisfaction. New, higher standards have taken

over. Most important, health system managers now have the necessary tools and techniques for solving their own problems, and they can rely on systems that will continue to evolve with experience.⁵¹ The techniques tested at *ZdravReform* pilot sites proved so effective that they quickly attracted \$85 million in additional capital from the World Bank for expanded implementation.

Sustainable Improvements Through Horizontal Approaches to System Strengthening

- **The Health Markets Project in Central and Eastern Europe**

1. Creating a profession of health care managers. At a 1994 conference on health reform, health care leaders across central and eastern Europe concluded that the greatest obstacle to market-oriented reform was the lack of trained managers. USAID then initiated health management education partnerships in four countries, creating degree programs in health care management that did not exist in the region at the time. Within three years, three of the programs were thriving (**Albania** is the exception) and health care management has emerged as a new profession.

The government of the **Czech Republic** awarded a grant to local partners to develop uniform standards and curriculum requirements for the nation. The **Slovak** Ministry of Education asked its partners to develop accreditation standards to ensure quality of health management education in that country. The **Romanian** Ministry of Health hired Romanian partners to train district

health managers, who were given new responsibilities to implement decentralized programs in the 40 districts in the country.⁵²

2. Health sector reform in the Czech Republic. Capitalizing on changes in the political and economic environment, the **Czech Republic** was in the forefront of market-oriented health sector reform in central and eastern Europe. USAID tailored its program to provide technical assistance that would enhance specifically Czech approaches. The Agency initiated extensive policy dialog and training in managed care, insurance management and regulation, policy analysis, and provider payment systems. USAID also addressed actuarial science, decision support systems, facility accreditation, and management education. It conducted demonstrations of hospital financial management, flexible nursing staffing, quality improvement systems, and secondary prevention of heart disease. Several of the models introduced are being implemented nationwide. The Czech Republic passed landmark legislation authorizing creation of a nonprofit sector. This benefits not only health care institutions interested in private, not-for-profit standing, but all socially oriented institutions.

Before USAID closed its office in the Czech Republic in 1997, an assessment team concluded that in just five years, Agency activities had had a favorable and substantial impact on the Czech health care sector—far in excess of USAID’s modest investment.⁵³ Part of the reasons for this is that USAID’s assistance was structured around the Czech Republic’s own strategies. While there are many other factors affecting health, not least the strength

of the Czech economy, one outcome of donor assistance is that since 1991, the Czechs are the only people in the former Soviet bloc to show improvements in life expectancy.

- **Family Planning in Turkey: New Support Makes a Categorical Program Sustainable**

In 1975, USAID closed its Mission in **Turkey** but continued to support population and family planning activities there. As part of its plan to phase out the program by 1999, USAID developed a project with two objectives: 1) to increase the use of modern contraceptives and 2) to increase the program’s self-reliance.

A 1997 evaluation found that USAID achieved these objectives by bringing private, public, and nongovernmental sectors together to create a self-sustaining program in family planning and reproductive health. As of 1997, the Ministry of Health had a unit responsible for family planning services and was working to incorporate these services in dispensaries, health centers, and hospitals. Family planning became a covered benefit under the Social Security Institution, which at that time covered some 40 percent of Turkey’s 22 million people. The ministry lobbied for contraceptive funding and for the first time took financial responsibility for procuring condoms and pills. Private sector control of the oral contraceptive and condom markets grew to 75 percent, and the private sector launched a nationwide campaign to promote two new injectable contraceptives and an intrauterine device. A network of 20 large NGOs was established that functions as an advocacy group for women’s education, health, and rights.

All major interventions, especially any new ones, should build in sustainability strategies from the outset.

The evaluation team concluded that for these activities to have a national impact, greater interaction and more integration of program elements were needed. It recommended that “all major interventions, especially any new ones, should build in sustainability strategies from the outset.”⁵⁴

- **The Philippines Health Finance Development Project: A Horizontal Approach**

The **Philippines** Health Finance Development project coincided with decentralization of government authority to local governing units, prompting a reshaping of the entire public health care system. The Department of Health shifted from serving as principal health service provider to health care system planner and regulator. Local governments assumed responsibility for designing and implementing initiatives to meet the needs of their constituents.

USAID collaborated with the Philippines on three strategies: 1) creating a research-based, interactive, transparent process for health policy formulation and decision-making, 2) creating a local community of knowledgeable and experienced experts on health care issues, and 3) creating a multisectoral forum where policy issues can be debated and reforms initiated.

Acknowledging that the Philippines still faces many challenges in health care reform, a 1997 evaluation concluded that the three strategies were successful.

As a result of this project, there is now a forum where the public and private sector can debate policy issues, and the Department of Health maintains a system for doing research to support policy decisions. This department has also developed and implemented health insurance initiatives, and the Health Ministry has been able to take on other functions with its own human and financial resources. The transformation of the Philippine system is an excellent example of how health care strengthening projects can achieve innovative and sustainable change.⁵⁵

- **Jamaica’s Urban Environment Program: A Sustainable Categorical Program**

An NGO that upgraded sanitary facilities and reduced the amount of untreated wastewater flowing or seeping into **Jamaica’s** Montego Bay can continue to provide sanitation services in the area after USAID funding ends because it established a new, well-managed, fully self-financing institution. This model is being replicated in other communities in Jamaica.⁵⁶

- **In Mozambique: A Timely Horizontal Approach**

Though an extremely low-income country, **Mozambique** had remarkable economic growth during the past five years, thanks to economic and political liberalization and the end of a long civil war. Along with a push to rapidly increase access to basic health services, the Ministry of Health, with multi-donor support, undertook a variety of approaches to improve the performance

of the entire health sector. With the assistance of the USAID-supported Primary Health Care project, Mozambique has improved financial sustainability of the health care sector as a whole. Measures include introduction of rational pharmaceutical management procedures supported by a national drug formulary and a new drug information system, and enhanced technical and management training of Health Ministry clinicians. The ministry developed and is testing user fee guidelines with the goal of reaching financial sustainability of the health care system. To accelerate progress, the ministry asked USAID in 1997 to take the lead among donors in formulating a national health sector financing strategy.⁵⁷

Lessons Learned in Health System Development and Strengthening

USAID's emphasis on achieving sustainable development in the countries it assists is driven by a desire to enable countries to stand on their own without continuing inputs of funds from outside. Transferring decision-making and responsibility to local institutions is an important dimension of this. As USAID has worked toward this goal—achieving it in many countries—the Agency has learned many lessons. Probably the most profound is that to achieve sustainable, continuous improvement in a people's health, both public health problems themselves and health care systems issues must be

addressed. Many other lessons flow from this:

- Health sector improvements are likely to be sustainable when the direction of change is aligned with the country's political and economic priorities.
- Health system strengthening requires host country commitment to human and institutional capacity building. This can be demonstrated by progressively increasing levels of local funds for this purpose.
- System strengthening can begin with any component but ultimately may require that other aspects of the system be improved if the changes are to be sustainable.
- Tangible benefits from changes that have been made build confidence—both inside the country and abroad—that a country is on the right path in strengthening its health system. Most important, visible benefits motivate people to continue with the needed reforms.
- Concerns about the sustainability of health sector changes become most acute as USAID begins to plan its exit strategy. However, attention to sustainability is necessary throughout the development process, beginning at the very outset.
- Activities that result in the establishment of new routines in daily operations are less likely to be abandoned or reversed.

V. CONCLUSION

Population, health, and nutrition will continue to receive a large share of USAID's development budget, because stabilizing population growth and improving health are essential to achieving economic growth and addressing the humanitarian concerns of the U.S. government. The downward trends in total fertility and under-5 mortality rates show that improved health is becoming a reality in many of the developing countries where USAID works.

USAID programs are also contributing to progress in reducing the number of undernourished children, improving maternal health, preventing HIV/AIDS, and reducing the incidence of infectious diseases. The data to measure these gains uniformly in all USAID-assisted countries are improving but are not yet sufficiently available or reliable for Agency-level reporting. Nonetheless, reports from the individual country programs demonstrate that progress is being made.

Health care systems are also being successfully strengthened by USAID programs. As has been shown above, this form of assistance serves to underpin core PHN programs addressing specific health and population issues. It also improves the functioning of the entire health sector in the country. Creating local self-sufficiency ensures that gains made through the Agency's assistance will be sustained after donors depart.

The combination of these two types of initiatives brings both depth and breadth to USAID's ability to address countries' needs. Together, they contribute to sustainable changes in people's health, which is the linchpin to achieving many of the Agency's other development goals. Together with broad-based research in developing technology and approaches, these ensure that USAID will continue to be the population, health, and nutrition pacesetter among the international donor community.

5

ENVIRONMENT

I. INTRODUCTION

USAID's environmental goal—protecting the world's environment for long-term sustainability—has long been considered a silent goal. Rapid population growth, industrialization, and urbanization all increase the demands made of natural resources. Environmental changes often go by unnoticed until a crisis erupts. Productive croplands disappear, deserts enlarge, rich oceans are overfished, large inland lakes are polluted or drained, wetlands are lost to urban sprawl and agricultural expansion, essential ecosystems such as tropical forests and coral reefs are often destroyed or severely damaged for short-term economic gain.

In many places, especially in the developing world, environmental degradation strikes at the livelihoods of people who must struggle to produce the food they need to survive. Almost one quarter of the world's fish stocks have been depleted, for example, and another 45 percent are being fished at their biological limit.¹ In ways less immediate, but equally compelling, poor and misguided stewardship of the earth's natural resources severely limits economic growth and prosperity.

In 1997 several global environmental catastrophes gained worldwide attention:

- El Niño had devastating effects on Africa, Asia, South America, and the West Coast of the United States. Some areas were drenched, while others were deprived of the rains needed to sustain crops and replenish drinking water supplies. Widespread road damage, dam collapse,

crop destruction, coastal and inland flooding, and loss of life all were attributed to El Niño. In California alone, estimates of lost economic productivity from El Niño were \$500 million to 600 million.²

- Burning from land-clearing in Indonesia destroyed millions of acres of biologically rich forestlands. Unprecedented forest fires raged for weeks and threatened millions in Brazil, Mexico, Central America, and Asia. City dwellers throughout Southeast Asia faced severe haze and pollution, and smoke closed airports to traffic, shut schools and hospitals, and kept millions indoors. Those with respiratory conditions, the elderly, infirm, and newborns were placed at high risk of illness or death. Estimates of economic loss in Southeast Asia alone exceeded one billion dollars.³ One of the main causes of these fires was that palm plantation owners took advantage of El Niño to burn off their fields.
- In 1997 the effects of global warming on air pollution, crop production, flooding, and health became more evident. Meteorological evidence from many sources clearly shows that 1997 was the warmest year on record. 1998 may be even warmer.⁴ Emissions of greenhouse gases, including industrial carbon dioxide, continued to climb steadily, especially from rapidly developing countries such as Brazil, India, Indonesia, and Mexico. At the same time, the

In many places, environmental degradation strikes at the livelihoods of people who must struggle to produce the food they need to survive.

capacity to absorb these harmful gases declined markedly because of uncontrolled deforestation and other unsustainable land-use practices.

On the positive side, 1997 witnessed the historic signing of the Kyoto Protocol, the first legally binding agreement to curb global greenhouse gas emissions to 1990 levels. As of November 1998, more than 50 nations worldwide, including the United States, had signed the protocol. Legislative bodies must ratify them, however, to make the agreement binding on signatory countries.

USAID is laying the groundwork now for other positive environmental changes with its 1998–2002 Climate Change Initiative. The initiative will help ensure a substantial U.S. government financial commitment during this period. In June 1998, the President announced three components to the

Initiative: a minimum of \$750 million in grant assistance during the next five years, up to \$250 million in “climate-friendly” investments stimulated by credit instruments, and a \$25 million interagency climate change program.⁵ “Climate-friendly” investments are those that try to rationalize energy markets, increase efficiency in energy use and production, promote policies to support environmentally sound energy, and foster increased use of renewable energy sources.

USAID is concentrating global climate change activities on those countries and regions that contribute most to net global greenhouse gas emissions and whose governments are most receptive to taking positive actions. USAID has identified nine countries and three priority regions thus far: Brazil, Central Africa, Central America, Central Asia, India, Indonesia, Mexico, the Philippines, Poland, Russia, South Africa, and Ukraine.

AGENCY GOAL FIVE

The world's Environment Protected for Long Term Sustainability

Agency Objective 5.1

Threat of global climate change

Agency Objective 5.2

Biological Diversity

Agency Objective 5.3

Sustainable urbanization including pollution

Agency Objective 5.4

Use of environmentally sound energy services

Agency Objective 5.5

Sustainable natural resource management

The Environmental Strategic Framework

USAID works closely with its development partners worldwide to pursue five objectives: 1) reduce threats to global climate change, 2) conserve biological diversity, 3) promote improved urbanization and better pollution management, 4) increase the provisions of environmentally sound energy services, and 5) promote sustainable natural resource management. The Agency recognizes that distinguishing between these objectives is somewhat artificial, since environmental problems tend to be interwoven. Work in forestry has impact on biodiversity, global climate change, and sustainable natural resource

management. However, dividing its environmental efforts into these five discrete objectives allows the Agency to evaluate its performance and manage its programs more effectively.

- **Reduce the Threat of Global Climate Change**

Greenhouse gas emissions trap heat in the environment, which, over time, leads to rising global surface temperatures. While this trend is not new, the pace has dramatically accelerated in recent years because of increasing population growth, stepped-up industrialization, and rapid urbanization. Rising global temperatures can have devastating effects on agriculture and curtail forestry-based livelihoods. Rising sea levels will inevitably cause widespread flooding in low-lying coastal areas. USAID works to curb harmful emissions from energy and industrial sectors, decrease deforestation, promote afforestation, and, increasingly, to address issues of vulnerability and adaptation to the global climate change threats.

- **Conserve Biological Diversity**

Maintaining biological diversity is necessary to conserve critical ecosystems. Many developing countries have ecosystems with a trove of biological resources and still undiscovered plant and animal species. Developing countries often deemed poor by traditional economic measures are frequently rich in “biological capital,” where many new health-promoting and life-sustaining pharmaceutical drugs have been discovered. USAID works closely with local communities and governments to help them conserve and sustainably manage these critical ecosystems in both protected and unprotected areas.

- **Promote Sustainable Urbanization and Improve Pollution Management**

In almost every part of the world today, people are flocking to cities in record numbers. Few cities are prepared for the consequences of too many people and too few municipal services. Poor living conditions degrade health, undermine economic growth, and breed political and social instability. Unfortunately, in many countries, female-headed households have less access to safe water and sanitation services than male-headed households. The Agency works to improve the capacity of municipal governments and private industries to provide adequate housing, reduce pollution, and make clean water and sanitation services available to all—especially the poor.

- **Increase the Provision of Environmentally Sound Energy Services**

Developing countries need more energy to help their economies grow. Often the cheapest available fuel comes from burning traditional fuels like coal, oil, and wood. Indiscriminate use of these fuels denudes forests, blackens the skies, pollutes the air, and often fouls rivers and streams. USAID programs strongly encourage energy efficiency and the use of alternative, renewable energy resources. It promotes “clean” technologies to reduce pollution and strives to engage the private sector to provide the latest available energy technology.

- **Promote Sustainable Natural Resource Management**

The economies of many developing countries are tightly tied to their natural resource base. Most of their income comes from traditional use of farmlands, forests, and freshwater and coastal areas. Relentless population pressures, unsustainable farming and fishing methods, and market, price, and policy distortions often threaten the natural resource base. USAID works with local people to help them understand the need for sustaining natural resources, to introduce new and improved agricultural practices, and to encourage better management of forest, water, and coastal resources.

Distribution of USAID Programming by Strategic Objective

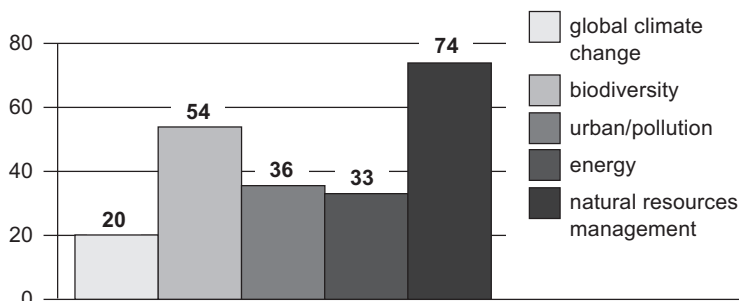
In FY97 the Agency helped prevent or lessen environmental damage in more than 60 countries worldwide—compared with 52 countries the previous year. New environmental programs in **Africa** and **Latin American and the**

Caribbean accounted for most of these. The Agency increased efforts to slow global climate change, improve natural resource management, and improve energy services. These changes reflect, in part, the Agency’s increased attention to certain transborder issues, such as global warming. USAID’s urban and biodiversity programs decreased only slightly. Unfortunately, program priorities in the **Europe and new independent states** region has led to fewer resources available to meet environmental problems in those countries.

Biodiversity conservation and natural resource management—the so-called green issues—continue to receive the most USAID environmental assistance. However, urban management, pollution prevention, and energy production—the so-called brown issues—are increasing priorities. The Climate Change Initiative may accelerate that trend.

On the budget front, USAID has increased its spending on environmental programs from 7.5 percent of its overall budget in FY94 (\$478.2 million) to 13 percent in FY97 (\$677 million). By comparison, the World Bank’s annual commitment for environmental loans has decreased steadily from 3.6 percent of total projects approved in 1994 (\$750 million) to 1.3 percent in 1997 (\$250 million). While it is difficult to compare organizations and programs by budget alone, the World Bank’s lowered spending makes for a bleak picture, given the magnitude of environmental problems in the developing world. Except for ENI, as noted above, USAID’s level of support for environmental programs and its innovative approaches mean it will continue to play a leading role among donor organizations.

Figure 5.1
Percentage of Operating Units with ENV SOs, FY97
 by Agency Objective



II. PROGRESS TOWARD ENVIRONMENT PERFORMANCE GOALS

Tracking progress in the environment is unlike tracking progress in education, population, or economic growth.

Measuring progress in this goal area involves developing indicators of environmental change, understanding how the data fluctuate naturally as well as how they are influenced by Agency programs and activities. USAID finds itself trying to learn how to measure the impact of its environment programs when, in some cases, even the most basic parameters are not well understood. This is not an easy task, and it is made more difficult because data are not always collected annually, so there is often a lag between the impact of a program and seeing the indicators change. Environmental change is often slow. Even when data are available, measures of forest cover, global climate change, and water pollution may not show much progress from year to year.

Despite these difficulties, USAID has developed or adopted indicators to help identify trends in environmental status and measure progress against its performance plan. The indicators are

- National environmental management strategies
- Nationally protected areas (in hectares and as a percentage)
- Carbon dioxide emissions, average annual rate of growth
- Percent of urban population with access to safe drinking water
- Percent of urban population with access to sanitation services
- Gross domestic product per unit of energy use (energy efficiency)

- Percent of energy production from renewable sources
- Annual change in total forest area (in hectares and as a percentage)

Country Development Trends

• National Environmental Management Strategies and Government Commitment

A government's commitment to a cleaner environment and to better management of natural resources is crucial to sustainable development, but "commitment" is difficult to measure and interpret. The strength of environmental policies in any country can reflect the priority its government assigns to environmental degradation.

Government policies can stimulate links between economic growth and the environment. Governments can also set priorities among environmental programs and integrate them by developing national strategies or national environmental action plans. The Organization for Economic Cooperation and Development—to which USAID belongs—has set forth a vision of development over the next decades. This planning document, *Shaping the 21st Century*, states that "there should be a current national strategy for sustainable development, during implementation, in every country by 2005, to ensure that current trends in the loss of environmental resources . . . are effectively reversed at both global and national levels by 2015." USAID incorporated this goal for environmental sustainability in its own 10-year strategy.

Many countries have completed national environmental action plans or similar environmental strategies in the past decade. Of USAID-assisted countries, 83 percent have completed them in sub-Saharan Africa, 71 percent in the Asia-Near East region, 53 percent in Latin America and the Caribbean, and 48 percent in central and eastern Europe and the new independent states. Another 10 percent of USAID-assisted countries are preparing action plans. Still more are updating existing ones. USAID is well on its way to achieving the *Shaping the 21st Century* goal by 2005.⁶

- **National Protected Areas and Biodiversity Conservation**

Biodiversity is essential to environmental and economic sustainability. The main approach most countries have taken to conserve biodiversity is to establish systems of national parks, wildlife refuges, forest reserves, marine sanctuaries, and other formally protected areas. More than 900 million hectares of the earth's surface are officially designated as protected, an area nearly equal in size to the continental United States.

The World Conservation Monitoring Center notes that recent growth of protected areas has been especially rapid in low- and middle-income countries. However, the more relevant issue is *which* areas are protected and how *effective* the protection is. Simply designating an area protected does not mean that the most vulnerable ecosystems or species are safe. Similarly, biological resources that fall outside formally protected areas must also be managed sustainably.

Many highly diverse ecosystems are in countries characterized by rapid population growth, poor land and resource use, and rapid urbanization. These countries are often those that can least afford to protect their ecosystems. The answer lies in complementary management of biodiversity conservation and economic growth. Agriculture, for example, is intrinsically linked to biodiversity, and depends on the quality of the environment, such as bees for crop pollination. Many watersheds, important for biodiversity, also provide clean water for urban populations. Other economic activities, such as nature tourism, or ecotourism, depend directly on healthy ecosystems.

Some experts recommend setting aside 10 to 15 percent of lands as protected areas. As of 1994 (the most recent data available) sub-Saharan Africa had 6.8 percent (78.2 million hectares) of its area protected, Asia-Near East and North Africa had 6.1 percent (46.4 million hectares), central and eastern Europe and the new independent states had 4 percent (82.8 million hectares), and Latin America and the Caribbean had 9.3 percent (73.5 million hectares). Except for LAC, most regions fall far short of the 10 to 15 percent goal. Nevertheless, each of these protected areas is at least a thousand hectares (2,500 acres) in size and can include national parks, natural monuments, nature reserves or wildlife sanctuaries, protected landscapes and seascapes, and scientific reserves with limited public access.⁷

Coastal resources also need to be protected. Coral reefs, comparable to tropical rain forests in species diversity, are in rapid decline. Causes include inappropriate coastal and watershed

development, destructive fishing practices, and untreated and unchecked pollution. Globally, 58 percent of all reefs are at risk from human activities. The reefs of Southeast Asia, which are the most species-diverse, are also the most threatened, with more than 80 percent at risk. Reefs are integral to the economies and food supplies of developing countries, accounting for about one quarter of the fish harvests. Revenue lost from destroying one kilometer of reef ranges up to almost \$1.2 million over a 25-year period.⁸

- **Carbon Dioxide Emissions, Energy Efficiency, Renewable Energy Sources, and Climate Change**

Global energy use has risen nearly 70 percent since 1971 and will continue to increase over the next several decades. As energy use rises, greenhouse gas emissions increase. Fossil fuels supply roughly 90 percent of the world's commercial energy and account for more than 80 percent of carbon dioxide released into the atmosphere.

Developing countries' commercial energy consumption will contribute approximately 40 percent of the world's carbon dioxide (CO₂) output by 2010. Much of this will come from China and south Asia, which depend heavily on coal, particularly when it is used for generating electricity. Seventy percent of the electricity in China and more than 60 percent in south Asia come from coal. Since electricity demand is rising 6 percent to 7 percent a year, this could double the CO₂ emissions there between 1990 and 2010.⁹ Unfortunately, cheap fossil fuels are economically advantageous—for the short term. Countries need to take action to increase energy efficiency; replace fossil

fuels with cleaner, more climate-benign fuels; and further develop and adopt renewable energy technologies.

Tables 5.1 and 5.2 show CO₂ emissions per capita in metric tons and energy efficiency (as measured by GDP per unit of energy use) for USAID-assisted countries by region. Country data for India and the United States are given for comparison purposes. They show that rates for both countries are increasing, yet India remains far behind the United States. The table also reveals wide differences among geographic regions. Europe and countries of the former Soviet Union emit more CO₂ per capita; countries in sub-Saharan Africa emit the least. This is the first

TABLE 5.1

Agency Goal: The World's Environment Protected for Long-Term Sustainability

Agency indicator: Carbon dioxide (CO₂) per capita industrial emissions in metric tons

Year refers to calendar year of data. In most cases data lag the reporting year.	Sub-Saharan Africa	Asia, Near East & North Africa	Europe & former Soviet Union	Latin America & the Caribbean
Baseline (1995)	0.81	1.31	4.70	1.21

India (1992–95): 0.9–1.0

United States (1992–95): 19.1–20.8

Note: CO₂ emissions stem from burning fossil fuels and manufacturing cement, and include emissions produced during consumption of solid fuels, liquid fuels, gas fuels, and gas flaring.

Source: *World Development Indicators* (table 3.5) based on Oak Ridge National Laboratory CDIAC database.

TABLE 5.2

Agency Goal: The World’s Environment Protected for Long-Term Sustainability

Agency indicator: Energy efficiency—GDP per unit of energy use (1987 US\$ per kg. oil equivalent)

Year refers to calendar year of data. In most cases data lag the reporting year.	Sub-Saharan Africa	Asia, Near East & North Africa	Europe & former Soviet Union	Latin America & the Caribbean
Baseline	6.27	2.82	1.02	3.33
Most Recent Data (1994 –1995)	6.61	2.67	0.94	2.54

India (1994–95): 1.6–1.7

United States (1994–95): 2.6–2.6

Note: The energy efficiency indicator is the measure of GDP per unit of energy use, defined as the U.S. dollar estimate of the real GDP (at 1987 prices) per kilogram of oil equivalent of commercial energy use. The larger the ratio, the greater the energy efficiency. Differences in this ratio over time and across countries are influenced by structural changes in the economy, changes in the energy efficiency of particular economic sectors, and differences in fuel mixes.

Source: World Development Indicators (1998) (table 3.8).

year USAID has used these data to set targets, so trends have not been assessed. Average energy efficiency is improving in sub-Saharan Africa but is worsening in all other regions. However, individual countries, such as India, have improved in energy efficiency.

- **Urban Population and Access to Safe Drinking Water and Sanitation Services**

Worldwide, with rapid migration to the cities, the number of people living in urban areas is increasing four times faster than those living in rural areas.

By the year 2000, more than half the world’s population will live in urban areas. Urban growth rates are exceptionally high in the Asia–Pacific region and Africa.¹⁰ Seventeen of the world’s 21 megacities (more than 10 million people) are in developing countries.

Urban poverty, dramatically affected by global financial crises, has been of increasing concern to USAID’s environmental programs. In 1997 the Agency developed a global urban strategy called “Making Cities Work,” which places poverty and the functioning of cities at the core of its overall development objectives. The strategy cuts across the Agency’s six goal areas, stressing the pivotal role cities play in development. This strategy emphasizes building strategic partnerships with private business, financial, and non-profit institutions to increase dollar investments in potable water, roads, sanitation systems, solid-waste management, and shelter in urban localities.

Urban areas provide opportunities for economic development, but unless cities can better manage their environmental problems, these opportunities for development will not be fully realized. Many cities quickly deplete nearby areas of usable water and firewood, and industrial areas grow haphazardly. Air pollution exceeds health standards in most megacities. Sewage and industrial effluents are released into waterways with minimal or no treatment, threatening human health, restricting water from other uses, and contributing to environmental degradation.

Two of the main global indicators the Agency uses to measure progress toward sustainable urbanization are access to safe drinking water and

access to sanitation services. In 1996 the United Nations Center for Human Settlements estimated that 280 million urban dwellers lacked potable water and 588 million lacked basic sanitation. Additionally, less than 70 percent of solid waste was being collected in urban areas and only 50 percent of households were being served.¹¹

An estimated 2.9 billion people, in both urban and rural areas, lack access to adequate sanitation, up from 2.6 billion in 1990.¹² However, although reliable 1995 data are available, *trend* data are not available for most USAID-assisted countries. While information on access to safe water is widely used as an indicator, it is extremely subjective. Terms such as “adequate amount” and “safe” may have different meanings in different countries.¹³ Specifically, “safe” water in developing countries rarely meets water quality and access standards in Europe and North America. National and regional averages also mask differences in access to services between rich and poor, male and female, and urban and rural populations.

In USAID-assisted countries, 63 percent of the urban population has access to safe water in sub-Saharan Africa, 67 percent in Asia–Near East and North Africa, and 80 percent in Latin America and the Caribbean. Few countries in eastern Europe and the former Soviet Union report on access to safe water, so regional data are not available. Of USAID-assisted countries, 60 percent of the urban population has access to sanitation services in sub-Saharan Africa, 60 percent has access in Asia–Near East and North Africa, and 71 percent in Latin America and the Caribbean.

Only 60 percent of the countries in Europe and the former Soviet Union reported on access to sanitation services. Access to water and sanitation services is estimated to be relatively high there. However, the availability and quality of drinking water are at issue. In many areas drinking water is available only a few hours a day and often in insufficient volumes. Pockets of unsafe drinking water are found in certain agricultural, industrial, and urban areas. There are also many issues regarding sanitation services, including quality of sewage treatment, processing of solid waste, mixing of domestic and industrial wastes, and whether revenue is sufficient to sustain provision of these services.

- **Annual Change of Total Forest Area and Natural Resource Management**

The annual change in total forest area is one indicator the Agency considers in its approach to sustainable natural resource management. From 1980 through 1995, the developing world lost nearly 200 million hectares of forest. The greatest threats are from roads, mining, accidental fires, unchecked logging, slash-and-burn agriculture, and land conversion to cattle ranching and cash crops. Tropical forests provide a livelihood for 1.2 billion people. Trade in nonwood forest products is estimated at \$11.1 billion a year. Some governments continue to contribute to deforestation by selling timber at below-market prices. Fiscal and trade policies and related market factors, such as high interest rates and trade barriers, can create incentives to clear forests. Unclear land tenure, inappropriate land use, and unsound environmental policies also foster unsustainable resource extraction.

For USAID-assisted countries, the annual change in total forest area for 1990–95 was as follows: sub-Saharan Africa, –0.75 percent (–1.9 million hectares); Asia, –1.2 percent (–1.7 million hectares); the Middle East, –2.8 percent (–18,200 hectares); Europe and the former Soviet Union +0.48 percent (0.5 million hectares); and Latin America and the Caribbean, –2.23 percent (–4.8 million hectares).¹⁴

Fisheries are another natural resource that has been depleted, a loss for both local communities and global consumers. Fish harvest records from 1950 through 1994 show that 35 percent of the most important commercial fish stocks are declining. Catches shrank for 10 million small-scale fishermen because of competition from commercial vessels. In West Africa, artisanal fishers' catches fell more than half from 1985 through 1990 because of increased offshore commercial trawling. This shortfall affects developing countries disproportionately. When fish prices rise, more than a billion people who rely on fish for their protein are put at risk of inadequate nutrition.¹⁵

Global fresh water resources require careful management. Consumption rose sixfold from 1990 through 1995 and continues to increase as population and economic growth drive up agricultural, domestic, and industrial demands. The United Nation's intermediate projections suggest that the portion of the world's population in areas of water shortage will increase from 5 percent today to 24 percent by 2050. The new challenge is to integrate water management to achieve simultaneous objectives in agriculture, habitat maintenance, health, food security, and urban water supply. While these

problems exist all over the world, they are perhaps most severe in the Near East, where they can add another dimension of political volatility to already difficult situations.

Monitoring USAID Program Performance in Environment

In addition to monitoring performance at the country level, USAID closely assesses performance at the program level. An integral part of managing for results is the strategic plan developed by each operating unit. The plan consists of several broad strategic objectives with several subordinate intermediate results that contribute to its accomplishment. USAID monitors performance at both the strategic objective and intermediate result levels.

- **Data for Performance Monitoring**

In 1997, 74 percent of USAID's environmental strategic objectives had both target and actual performance data. This is a marked improvement over 47 percent with data in 1996. In FY97, performance data against an established target was reported for 76 percent of the 242 intermediate results in the environment goal area. USAID also monitors the percentage of strategic objectives for which indicators met or exceeded the annual target. This measure provides a perspective on aggregate strategic objective performance at the goal level. Of those strategic objectives in environment that reported data for 1997, performance indicator targets were met or exceeded in 82 percent of the cases, and not met in just 18 percent.

- **1997 Performance: Bureaus' Technical Performance Assessments**

Indicator data tell only part of the story. The USAID regional bureaus in Washington complete a detailed annual technical review of each strategic objective and intermediate result as part of their yearly program performance assessment. This review combines analysis of performance indicator data, qualitative evidence of progress, and performance trends and prospects, that gives a somewhat different distribution from that reported above. Of 72 strategic objectives in support of the environment goal, technical reviews by the regional bureaus judged that 24 percent exceeded performance expectations, 68 percent met expectations, and 8 percent fell short of expectations in 1997.

- **Reasons for Performance Problems**

USAID's environment portfolio is diverse, reflecting the variety of the world's ecological systems and human and economic conditions. Unique

factors in some countries affected progress toward specific environmental objectives. For example, El Niño-produced droughts and floods diverted resources from ongoing activities or hampered programs. Unfavorable economic conditions, such as those in **Bulgaria** and **Russia**, impeded progress toward some policy objectives in support of the environment. Despite these difficulties and the constraints of limited resources to address enormous and growing problems in the global environment, most of USAID's 1997 programming helped host countries advance their commitment and implement activities to address environmental concerns.

Several model programs and pilot technologies put in place in 1997 may have more long-term and widespread influence. Partnerships need to be expanded and strengthened to build the capacity of government, nongovernment, and private sector institutions, since they are key to long-term sustainability.

III. HIGHLIGHTS

These highlights reflect USAID's commitment to improve global trends, as defined in the Agency's strategy for protecting the environment.

Threats of Global Climate Change Reduced

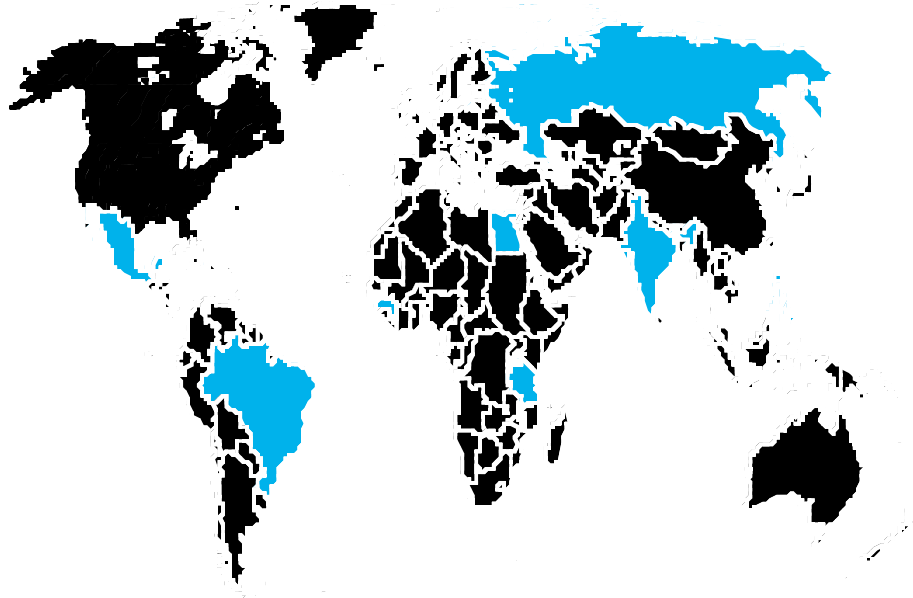
The Agency addressed the threat of global climate change through programs that 1) reduce greenhouse gas emissions, 2) slow deforestation and increase forest cover, and 3) help countries adapt to global climate change. The Agency promotes technology

development and use, builds capacity to plan and monitor, and involves community members. USAID global climate change programs work closely with host country government institutions but also place strong emphasis on partnerships with nongovernmental organizations at the national and community levels, as well as with businesses.

Greenhouse gas emissions avoided, a common indicator for positive change, is based on the replacement of fossil fuels, such as oil or coal, with cleaner energy sources or by energy efficiency

MAP 5.1

Objective 5.1: Threat of Global Climate Change Reduced



Country Programs

Brazil
Egypt
Guinea
Haiti
India
Mexico
Philippines
Russia
Tanzania

Regional Programs

African Sustainable Development
Central Asia Regional
Central America Regional

projects that reduce the energy needed for production or consumption. Data collected from more than 20 countries in 1997 show the avoidance of nearly 436,000 metric tons of emissions.¹⁶ In 1997, USAID carried out a range of environmental programs aimed at biodiversity conservation, energy efficiency, and forestry that also contributed to reducing greenhouse gas emissions. Their direct impact, however, cannot be easily measured.

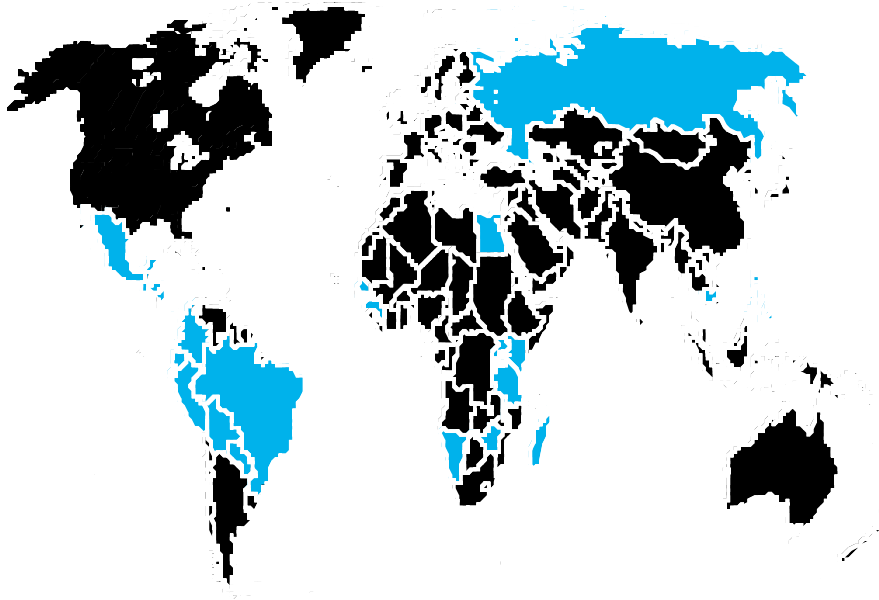
India provides an example of how an energy efficiency program can help lower greenhouse gas emissions. India is the sixth largest and second fastest growing producer of greenhouse gases in the world. The scope of the challenge illustrates how massive this problem is and how difficult it is to show progress. In 1997, USAID programs helped India avoid 20,000 metric tons of carbon dioxide emissions.¹⁷ Unfortunately,

given India's growth in energy use, this does not significantly cut greenhouse gas emissions overall, but the Agency's energy efficiency programs in India are spreading. For example, USAID-financed technical assistance and training at the Dadri power plant of the National Thermal Power Corporation helped achieve a 2.5 percent overall efficiency improvement in the heat produced per unit of energy used since March 1997. Encouraged by this success, the corporation decided to expand use of the improved techniques to all their power plants and invest \$2.5 million in 1998 alone in new, clean technology imported from the United States.

USAID's technical assistance to the **Philippines'** Department of Energy is another example of how the Agency is making an impact to reduce greenhouse gas emissions. Extensive policy dialog

MAP 5.2

Objective 5.2: Biological Diversity Conserved



Country Programs

Bolivia	Mexico
Brazil	Namibia
Cambodia	Nicaragua
Colombia	Panama
Ecuador	Paraguay
Egypt	Peru
Guatemala	Philippines
Guinea	Russia
Honduras	Senegal
Kenya	Tanzania
Madagascar	Uganda
Malawi	Zimbabwe

Regional Programs

REDSO/ESA
African Sustainable Development
Central America Regional
LAC Regional

with the department resulted in adoption of a new strategy to free up supplies of clean energy. It also contributed to the 1997 signing of a new natural gas sales and purchase agreement to provide 27,000 megawatts of clean electricity. This, in effect, displaces nearly half the greenhouse gas emissions of nine typical 300-megawatt coal-fired units. As a result, the Philippines is now a leader in Asia in advanced power sector technology. The Agency was also a primary catalyst in the development and application of new Philippine policies, regulatory frameworks, and fiscal measures that encouraged increased investment in clean and efficient power systems countrywide.¹⁸

An example of using forestry programs to fight greenhouse gas emissions comes from **Russia**, which accounts for more than 22 percent of the world's forested areas and 21 percent of its

estimated timber volume. Russia's forests provide the largest land-based carbon storage, or "sink," in the world, and they serve as a critical global resource to buffer the effects of global climate change. Because these forests are threatened by logging and massive forest fires, USAID initiated a reforestation program in 1997 that increased the production of seedlings from 6,500 to more than 1.2 million. These are badly needed to replenish vast deforested areas.¹⁹

Biological Diversity Conserved

USAID supports one of the most comprehensive biodiversity conservation programs of any bilateral donor. The Agency has contributed to safeguarding biological diversity by its efforts to 1) improve the management of

biologically significant areas, 2) promote the sustainable use of biological resources, and 3) support the conservation of genetic diversity.

Biologically diverse ecosystems can be conserved by changing policies, institutions, incentives, and other factors to permit host country NGOs and government agencies to provide conservation-related services, and to give people using the land the authority and incentive to manage their own resources sustainably. Small farmers and other resource users will abandon destructive practices only if they have economically and culturally acceptable alternatives.

In Africa, **Uganda's** diverse ecosystems make it an important country for the Agency's biodiversity work. USAID, in partnership with the World Bank–Global Environment Facility, developed and supported the Bwindi Trust, conceived in 1991. The trust is now managed by an independent board that includes USAID. One important outcome of trust activities in 1997 was the mountain gorilla census. Uganda is working to conserve one of the last remaining wild mountain gorilla populations in the world. Since the mountain gorilla is an “indicator species,” tracking the gorilla population helps monitor what is happening more broadly to biodiversity. The trust census, conducted in the Bwindi Impenetrable National Park, found 292 gorillas living in the park, meeting the 1997 target of 282–300 animals. Compared with 1991 data, these figures suggest that the park mountain gorilla population is stable, an indication of overall ecosystem health.²⁰

In Latin America, USAID-supported policy dialog led to the 1997 enactment of the Galápagos Special Law in

Ecuador, after years of conflict among stakeholder groups. In 1997, USAID-sponsored a conflict resolution process that facilitated development of a consensus among the three major groups with interest in the legislation—conservation, fisheries, and tourism.²¹ The law enforces a quarantine system to protect the Galápagos' environment from species introduced from the continent. It restricts immigration and empowers local institutions to take leadership in the affairs of the archipelago. Under the law, commercial fishing is prohibited within 40 miles of most parts of the islands, and park fees from tourism stay in the Galápagos to self-finance their programs.

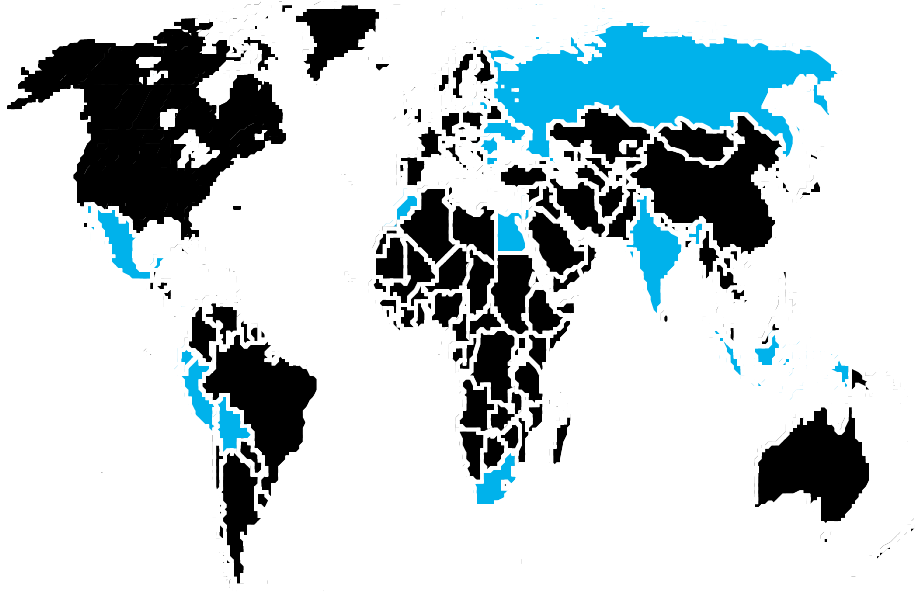
Promoting Sustainable Urbanization and Improving Pollution Management

At the end of this century, more than half the world's population will reside in urban areas, with most of this growth occurring in developing countries. Increased industrialization, without the use of clean production processes and pollution management, contaminates air, land, and water, posing significant health risks and undermining the productivity of natural ecosystems. USAID's urban programs improve the living conditions of the urban poor while protecting the well-being of future generations. The Agency works to 1) increase access to water and sanitation services, 2) improve urban management, and 3) improve pollution prevention and control.

In 1997, USAID worked in 40 countries in Asia, Africa, Europe, and Latin America to achieve these objectives. More than 528,000 poor urban families received financing for either home

MAP 5.3

Objective 5.3: Sustainable Urbanization/Pollution Management Promoted



Country Programs

- | | |
|-------------|----------------|
| Bolivia | Madagascar |
| Bulgaria | Mexico |
| Ecuador | Morocco |
| Egypt | Panama |
| El Salvador | Peru |
| Haiti | Romania |
| India | Russia |
| Indonesia | Slovakia |
| Jamaica | South Africa |
| Jordan | Ukraine |
| Lebanon | West Bank/Gaza |
| Lithuania | |

Regional Programs

- Central Asia Regional

improvement loans, mortgages, potable water hookups, or sanitary sewer connections under the Urban and Environmental Credit Program. To improve urban management, USAID worked with more than 40 city governments on raising local revenues, implementing new financial accounting procedures, and applying tariff and fee reforms to recover the costs of environmental improvements. The Agency also worked in these cities to increase citizen involvement in budgetary decisions of mayors and city managers and to enact internal management controls to improve local government accountability and management. To reduce urban pollution in 1997, the Agency promoted the adoption of 270 cleaner production policies and manufacturing processes in **Bolivia, Ecuador, Egypt, Indonesia, and Paraguay.**²²

The Agency also made significant progress in 1997 toward developing financing instruments that utilize the capital market and banking system to finance urban infrastructure. For example, USAID helped the city of Ahmedabad, in **India**, issue its first municipal bond. The issuance, and the adoption of municipal bond financing as a model, is helping direct India's domestic investments toward municipal infrastructure and improving much needed municipal services. At least six other Indian cities are now pursuing municipal bond programs. Similar efforts by USAID/**Poland** led to the development and issuance of municipal bonds in Warsaw and six other Polish cities in 1997. USAID also succeeded in developing and promoting alternative financing models for municipal services and shelter, such as its build–own–transfer project in Tirupur, in **India**. This first-ever Indian water sup-

The Agency uses its **Urban and Environmental Credit Program** to address urban management issues. The program, which targets and benefits urban poor, provides countries with access to financial resources borrowed from the U.S. private sector to finance urban infrastructure and shelter in low-income neighborhoods. This includes electrification projects, home improvement loans, home mortgages, potable water hookups, roads, sanitation connections, and solid-waste collection.

In FY97, USAID disbursed \$150 million, giving 528,000 households access to urban services and shelter in **Chile, the Czech Republic, Indonesia, Morocco, Poland, South Africa, Sri Lanka, Tunisia, and Zimbabwe**. For example, 240 lower-income households in Chile and 14,000 households in the Czech Republic received program-financed mortgages. In Indonesia, 393,000 lower income households received potable-water hookups in their neighborhoods. In Morocco, 52,000 households were connected to sewer mains and potable-water hookups. In South Africa, 51,000 households in low-income communities were provided with home improvement loans, mortgages, potable-water hookups, and sanitation connections. The program also financed mortgages for 1,700 households in Sri Lanka. In Tunisia, 9,600 lower income households received potable water and sanitation connections. In Zimbabwe, local construction companies built 5,894 low-cost shelter units for lower income families.

ply effort was fully privatized in 1997. In **Indonesia** and **South Africa**, USAID provided similar support in 1997 to help local governments reduce their need for capital reserves and establish basic infrastructure of private service providers to benefit urban dwellers.²³

Another way the Agency has addressed environmental issues in Asia is through its interagency program—the United States–Asia Environmental Partnership (US–AEP). U.S. government partners alone include the Environmental Protection Agency and the Department of

Commerce. In **India**, an NGO–business partnership supported by US–AEP reduced solid waste from mango-processing plants by 90 percent. Each of the 27 food-processing factories was dumping more than 2,000 tons of waste every harvest season. After training and consultation on clean production, the plants generated almost no solid waste and converted the small remaining amount into other products.²⁴ Across all clean-technology areas, including air pollution, hazardous waste, recycling, solid waste, and water and wastewater, US–AEP leveraged more than \$10 million from other partners in FY97.²⁵

Urban wastewater treatment continues to be a high priority for USAID. For example, in Alexandria, **Egypt**'s second largest city, the Agency in 1997 provided wastewater conveyance and primary treatment facilities to more than 200,000 previously unserved households. Providing such facilities, though, is only part of building a sustainable program. It is also necessary to develop systems that will provide ongoing financing, mostly from user fees, to maintain services, expand outreach, and train and recruit professional staff. Throughout Egypt, USAID in 1997 worked closely with partners on cost recovery through improved billing and collection practices. Utilities in the cities of Aswan, Minuya, Beni Suef, Fayoum, and Mansoura increased cost recovery by 167 percent, 73 percent, 45 percent, 37 percent, and 10 percent, respectively. In Alexandria, wastewater authority revenues for 1997 increased by 30 percent over 1996. At this rate, full cost recovery will be achieved in several locations by 2000.

In Latin America, **Peru** exemplifies what USAID accomplished by combined waste disposal and waste prevention programs. In 1997 a pilot project with a local NGO established Lima's first manually operated landfill recognized by local government authorities. Under this program, three microenterprises, owned and operated by economically disadvantaged women, provided collection services. The Agency leveraged \$1.5 million from the European Union to finance larger scale replication of this project. As a result of these and other activities in 1997, more than 50 percent of solid waste in Lima was properly disposed of in approved landfills.²⁶

In central and eastern Europe and the new independent states, several successful activities promoted sustainable urbanization and improved pollution management. USAID helped the industrial sector adopt low-cost methods to reduce waste, lower emissions, reduce energy use, and increase energy efficiency. In 1997, USAID supported waste minimization–energy conservation demonstration projects in the Donetsk and Dnipropetrovsk regions of **Ukraine**. These projects led to an estimated total reduction of 31.2 million cubic meters in annual natural gas use. They also prevented discharge of 530 tons of ammonia per year into wastewater systems, and they prevented the release of 26 tons of carbon monoxide and 12 tons of nitrogen oxide into the air.

Also in **Ukraine**, the L'viv Water Utility Restructuring project provided 120,000 residents in L'viv's Pashichna district and surrounding areas with

significantly improved access to potable water and water services. USAID initiated an energy efficiency pilot project in 1997 that purchased energy efficiency improvements such as adjustable-speed drives for water pumps that reduced electrical energy consumption by one million kilowatt-hours.

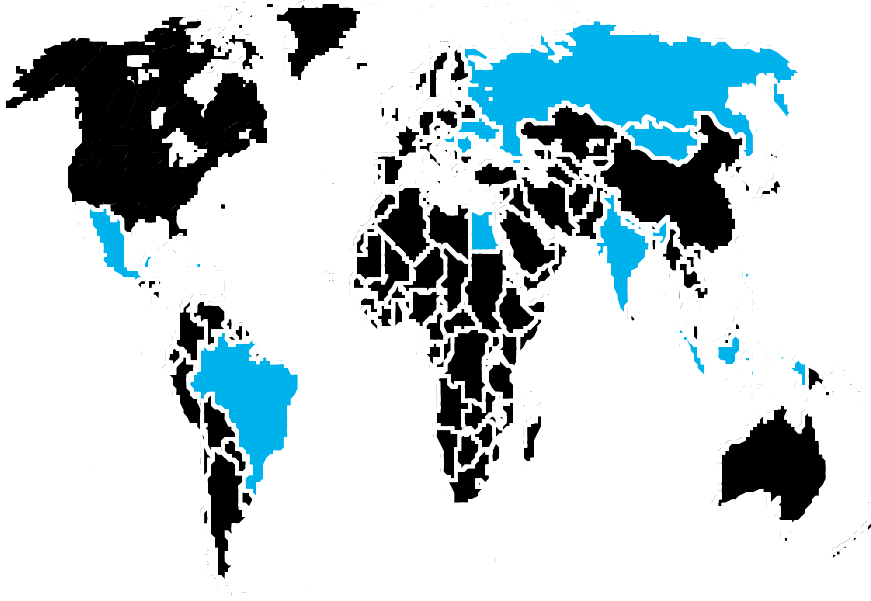
In Central Asia in 1997, USAID worked on several fronts: reducing regional economic and political tensions generated by transboundary environmental issues such as water; mitigating the environmental damage of the Aral Sea disaster on local populations; and developing legal and regulatory frameworks to reduce environmental risks to public health. Work in the Aral Sea area has been in progress since 1990.

In 1997, USAID increased the availability of fresh water for two million people in **Kazakhstan, Turkmenistan, and Uzbekistan** by helping rehabilitate wells, install waste treatment and monitoring systems, and improve waste collection. In 1997, the Agency also helped to develop a regional water sharing and pricing agreement, that established, for the first time, modern watershed management practices among the Central Asian republics.²⁷

The Agency also works to conserve water in commercial operations. In 1997, USAID collaborated with **Jamaica's** Hotel and Tourist Association on a pilot program to help small and medium-size hotels develop effective environmental management systems. As a result, six hotels saved \$220,000 in 1997 from an initial capital investment of \$105,000. The average

MAP 5.4

Objective 5.4: Use of Environmentally Sound Energy Services Increased



Country Programs

Armenia	Lithuania
Brazil	Mexico
Dominican Rep.	Moldova
Egypt	Mongolia
Georgia	Nepal
Hungary	Philippines
India	Romania
Indonesia	Russia
Latvia	Ukraine

Regional Programs

Central Asia Regional
Central America Regional

payback period was less than six months. In addition, water use for these hotels dropped from 225,000 cubic meters a year to 135,000 cubic meters. One hotel received the coveted Green Globe award, the first such award in the region, for showing how adopting an environmental management system can reduce pollution and improved the bottom line.

Use of Environmentally Sound Energy Services Increased

Most developing countries must expand their energy supplies to support sustainable development. Energy availability drives economic growth and can enhance quality of life. Yet many current energy production and consumption

patterns are unsustainable. USAID economic assistance programs are designed to foster private investment in clean energy, energy efficiency, and renewable energy in developing countries and economies in transition. These programs also foster a favorable environment for select U. S. exports and investment by

- Helping developing countries and countries in transition design effective new policies, regulations, investment entities, and tax reform so they can tap private capital and talent
- Stimulating trade by providing leads and supporting conferences, trade missions, essential preinvestment funding, and needed technical assistance

- Building lasting relationships between businesspeople at home and abroad that will help position the United States in the global marketplace of the next century

For example, in 1997, USAID helped form a partnership between the American utility Columbia Gas and **Russia's** utility Penzagaz to develop an automated customer information and payment system. Columbia helped Penzagaz establish a direct-payment center to avoid costly bank transaction fees. This resulted in a saving worth more than \$61 million for Penzagaz.²⁸

In **Indonesia**, USAID worked with the government in early 1997 to establish policies and practices for a cleaner, more efficient power supply by tracking installed generation capacity from all renewable sources, including biomass, geothermal, solar, water, and wind. These new policies helped three geothermal plants generate more than 3,700 megawatts of new, renewable energy in 1997.²⁹

In 1997 a California company, sponsored by the California Trade and Commerce Commission, used an Agency grant to conduct successful energy-efficient lighting workshops and demonstrations throughout **India**. Participants judged the workshops so productive that Indian utilities and government officials requested more. As a result, energy-efficient lighting was installed in several five-star Indian hotels in 1997. Bombay Services Electric Supply is working to market this American technology more broadly. Other spinoffs include government initiatives to remove barriers to

energy-efficient lighting products and the start of a performance-contracting strategy to help eliminate up-front costs and guarantee long-term energy and financial savings.³⁰

Sustainable Management of Natural Resources Increased

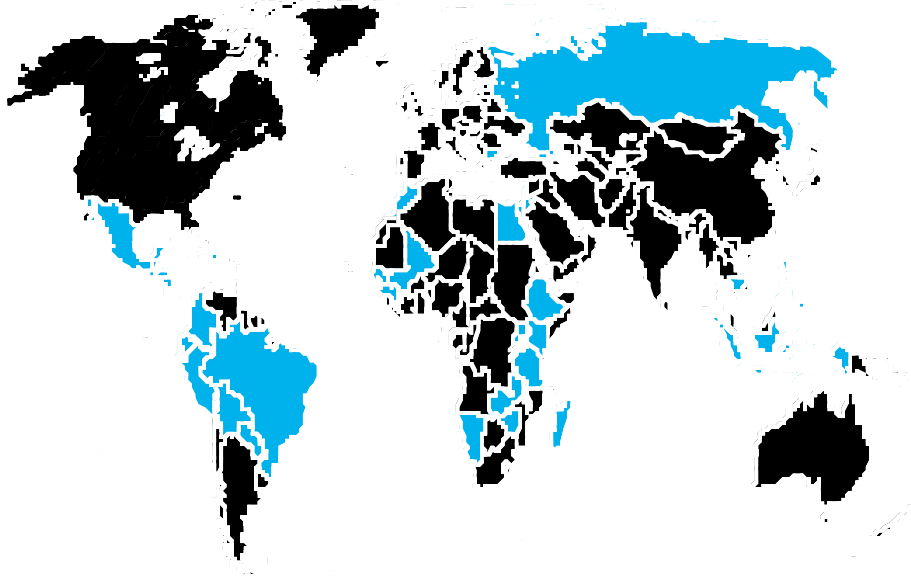
In many parts of the world, natural resources are degraded, depleted, and used inefficiently. Sustainable management depends on striking a workable balance between the preservation and renewal of resources and their use for economic well-being. USAID natural resource programs include 1) improved management of coastal zones, forests, and water resources, 2) increased use of sustainable agricultural practices, and 3) enhanced public and community awareness of natural resource sustainability issues and how they can be addressed.

Latin America is a good example of USAID's work in **natural resource management and biodiversity conservation**. In the Petén area of Guatemala, the Agency emphasizes people, policies, and institutions. Its work resulted in several notable gains in 1997.

For example, deforestation in Maya Biosphere Reserve was only 0.3 percent, compared with 10 percent in sites where no intervention was done. The Agency also helped establish two endowment funds and a more permanent source of income through tourism taxes. These funds help support local park management and conservation. In 1996, 12,693 hectares were under management concessions. This increased to 87,220 hectares in 1997, almost three times the targeted area.

MAP 5.5

Objective 5.5: Sustainable Management of Natural Resources Increased



Country Programs

Bolivia	Lebanon
Brazil	Madagascar
Bulgaria	Malawi
Cambodia	Mali
Colombia	Morocco
Dominican Rep.	Namibia
Ecuador	Nicaragua
Egypt	Panama
El Salvador	Paraguay
Ethiopia	Peru
Georgia	Philippines
Guatemala	Russia
Guinea	Senegal
Haiti	Tanzania
Honduras	Uganda
Indonesia	West Bank/Gaza
Jamaica	Zambia
Jordan	Zimbabwe
Kenya	

Regional Programs

RCSA
 REDSO/ESA
 Sahel Regional
 African Sustainable Development

Central Asia Regional

Central America Regional
 LAC Regional

With USAID-financed technical assistance, **Jordan's** cabinet approved its first comprehensive irrigation water policy in 1997. The irrigation policy covers differential water pricing based on water quality, full recovery of operation and maintenance costs, and partial capital cost recovery. It also covers on-demand irrigation water supply, increased efficiency of on-farm water use through incentives and technical assistance, and farmer-operated and managed irrigation systems.³¹

Policy change is important but must be followed closely by behavioral change. In Africa, about 2,000 rural farmers in **Senegal** were trained in natural resource management practices in 1997 with USAID-support. Under the Agency program, NGOs, the national research institute, and farmers worked

together to identify improved natural resource management practices that have a high rate of return. These practices promote increased rural household revenues and improved household self-sufficiency in staple cereals. Farmers learned animal stabling, composting, rock dike construction, use of improved seeds, and windbreak creation. The program also achieved some unexpected positive results: Grain storage banks and off-season vegetable production led to better year-round family nutrition and food security. Villagers who received training were better positioned to assume leadership roles in democratic governance. And local groups from 56 communities used the income generated from demonstration fields to establish revolving credit systems.³²

IV. CASE STUDIES: USAID APPROACH TO BIODIVERSITY CONSERVATION

This section explores USAID’s overall approach to biodiversity conservation in protected areas and some of its on-the-ground activities. Case studies, rather than an inventory of all the Agency’s biodiversity efforts, exemplify aspects of this overall approach. Recent external evaluations of the Parks in Peril Program and the Lake Baikal watershed, two very different biodiversity conservation efforts, make it possible to consider program effectiveness and its relationship to Agency activities around the world.

Since 1987, the Agency has had the largest biodiversity program of any bilateral donor. USAID concentrates on strengthening systems of parks and protected areas, but also works to improve biodiversity conservation in critical areas not under formal legal protection.³³ Protecting biodiversity is a maturing science calling for considerable trial and error. This uncertainty is matched by the complexity of the socioeconomic and political context in which park protection occurs and is coupled with measurement issues. Yet it is undeniable that park protection remains a critical objective for all those involved in sustaining and preserving the earth’s shrinking biological resources.

While USAID has a long-term approach to strengthening protection of parks and other significant areas, limited resources make it impossible for the Agency or any organization to protect all sensitive areas in developing and transition countries. Because of the complexities of biodiversity protection, USAID directs its efforts at a few critical levels, such as formulating policy;

strengthening institutions; facilitating coordination between communities, government, and NGOs; and strengthening on-site park protection. On all these fronts, the Agency continues to experiment and to learn how to safeguard biodiversity by trying new approaches and borrowing effective techniques from others.

A crucial part of the Agency’s approach is to act locally—to facilitate the involvement of local communities, NGOs, and indigenous peoples that live near protected areas. USAID also works closely with other bilateral and multilateral donors to ensure coordination to increase program impact and sustainability. In Latin America and the Caribbean, USAID’s efforts to strengthen parks and protected areas are best exemplified by its support of the Parks in Peril program.

Parks in Peril

Latin America and the Caribbean are particularly important for global biodiversity, so it is here that USAID supports the Parks in Peril program—an ambitious long-term attempt to strengthen park protection in the region. “Parks in Peril” is a term used by The Nature Conservancy to describe 60 protected areas that cover more than 30 million hectares (116,000 square miles—a total area about the size of Arizona).³⁴ The program was developed to conserve threatened ecosystems by working in legally designated protected areas. Specifically, it aims to improve park on-site management. USAID supports 28 high-priority pro-

At the end of 1997, 10 of the 28 high-priority protected areas USAID supports no longer needed intensive funding.

tected areas through Parks in Peril, which collectively strengthens management of eight million hectares, roughly the size of South Carolina.³⁵

At the end of 1997, 10 of the 28 high-priority protected areas USAID supports no longer needed intensive funding. As other parks become self-sufficient in management and protection, they will also graduate.³⁶ The many sites in the Parks in Peril Program represent the variety of ecosystems found in Latin America and the Caribbean whose preservation is critical to safeguarding the region's rich biodiversity.

A panel of specialists in park protection and management recently conducted an external evaluation of the Parks in Peril Program, looking at 7 of the 28 sites.^{37, 38} The biological significance of the sites makes them important to biodiversity conservation. For example, La Encrucijada Biosphere Reserve in Chiapas state, in southeastern **Mexico**, has unique and extensive mangrove forests that contain several important species. The reserve is home to substantial populations of jaguar, ocelot, and caiman. In addition, the reserve protects the habitat of critically endangered species such as the hawksbill turtle and the spider monkey.³⁹

The Sian Ka'an Reserve, also in Mexico, in the state of Quintana Roo, contains more than 1,200 species of higher plants and 110 kilometers of coral reef. Sian Ka'an (an ancient Mayan name meaning "Where the Sky Is Born") is home to healthy populations of larger mammals such as jaguars, manatees, tapirs, and two species of peccary. The presence of mammals

such as these, which are at the top of the food chain, is a good measure of the overall ecosystem stability.⁴⁰

In **Costa Rica**, the Talamanca–Caribbean Biological Corridor is unique among the sites in that it is designed to connect another protected area, La Amistad Biosphere Reserve, with the Caribbean Sea. This 1.5-million-hectare area was established to allow the movement of flora and fauna between the mountainous La Amistad forests and the coast. Talamanca is home to at least 113 species of mammals, including the critically endangered spider monkey.⁴¹

• **On-Site Protection**

Parks in Peril works to strengthen the on-site capacity for long-term protection of target parks and reserves. According to study panel experts, this "is the objective most consistently met by the program, and basic protection of most sites has been achieved in a remarkably short time."⁴²

Parks in Peril uses the term "basic protection" to include adequate physical infrastructure, on-site personnel and their training, land tenure issues, the use of threats analysis, and the official declaration of protected-area status. The external evaluation team concluded that this was largely accomplished in the sites studied. For example, basic facilities, communications systems, field equipment, and transportation were established and functioning well. Park personnel and those from partner organizations were generally well qualified, trained, and dedicated. Overall, according to the expert panel, land tenure issues and threats were clearly identified.⁴³

Two critical on-site protection challenges to the long-term sustainability of the Agency's efforts include the career instability of newly trained park personnel and the low priority some park managers gave to public access to the parks. Local government policies determine career paths, and Parks in Peril will further emphasize the importance of keeping skilled park managers through collaborative efforts with government agencies. More recreation and ecotourism management training are also needed to make park managers more sensitive to the importance of public access.⁴⁴

Long-term management goals go beyond the basic protection levels achieved at the sites. They encompass reserve zoning and buffer zone management, overall management planning, science and information, and monitoring. However, the program was somewhat less successful in achieving these long-term management goals than it was in achieving basic protection.⁴⁵ Long-term goals such as buffer zone management are sophisticated aspects of park protection that are not yet fully in place even in countries with greater financial resources and know-how. However, USAID successes in achieving basic protection in a short period of time are a good sign that the long-term goals are likely to be reached.

- **Strengthening Partner NGOs' Capacity**

USAID works with NGOs to improve their organizational structure and also promotes greater NGO participation in policies affecting protected areas. The expert panel noted that a particular strength of Parks in Peril was its consistent ability to strengthen NGO

capacity.⁴⁶ The Nature Conservancy, one of USAID's local partner in implementing this program, has concentrated on developing and sustaining relationships of mutual respect with its partners and strengthening their organizational capacities. Its assistance to partners is critical to capacity-building of NGO staff and boards of directors, U.S.-based and international fundraising, and policy formulation.⁴⁷ In all countries the panel visited, it observed strong evidence of partner capacity-building for national NGO partners.

- **Developing Community Constituencies**

Consistent with conclusions of the first Latin American Congress on National Parks and Other Protected Areas, the Parks in Peril Program recognizes that conservation is a social issue. Parks in Peril works to develop a community constituency to support the sustainable management of targeted protected areas through 1) increased awareness of the importance of the protected areas, 2) increased participation in protected-area management, and 3) increased economic benefits from protected-area maintenance.⁴⁸

The direct participation of local people in management and technical advisory committees set up by Parks in Peril varies from site to site. Not all efforts to involve local communities have been successful. Some conservation enterprises provided insufficient or few benefits to local people. It appears that the program does not always involve women and indigenous groups as much as men in economic benefits, access to conservation and management information, and participatory decision-making.⁴⁹ The Agency is aware of these

challenges, and in keeping with its “learning laboratory” approach toward biodiversity conservation, is working to promote more community involvement.

- **Long-Term Financial Self-Sufficiency**

Parks in Peril’s basic site protection and management structure has attracted tens of millions of dollars from international and national donors. However, except for Sian Ka’an and the biosphere reserve Sierra de las Minas (in **Guatemala**), most financial commitments for the sites are only short term or moderate. This puts the conservation of the other sites at risk, especially if a major source of support disappears or slows significantly. Long-term financial viability is a challenge that has been met through the establishment of site-specific endowments, securing funding from nations’ environmental funds, formalizing long-term commitments from national or international private sources and other funding sources. Parks in Peril has established long-term financial sustainability at a few sites, and is using the lessons learned in the remaining parks.

While the external evaluation revealed that PiP was making solid progress on most fronts,⁵⁰ it also found that two areas need more attention. The program needs to make greater efforts to reach out and engage community groups in management and technical decisions, and it needs to further examine ways to secure more long-term financing to ensure sustainability. USAID, its environmental partners, NGOs, and community groups are working together vigorously to consolidate Parks in Peril successes to date and to explore options to remedy program shortcomings.

Lake Baikal Watershed

In a very different part of the world, the Agency supported the work of Ecologically Sustainable Development, Inc. (ESD), a USAID implementing agency, to help local authorities plan for and manage the highly diverse Lake Baikal watershed in southeast Siberia.⁵¹ Here the Agency’s approach to biodiversity conservation echoes some central elements of the Parks in Peril Program, following USAID’s overall approach to biodiversity.

With a maximum depth of more than a mile (5,712 feet), Lake Baikal is the deepest lake in the world, containing some 20 percent of the world’s freshwater supply. The lake is 395 miles long and up to 50 miles wide. The watershed also supports tremendous biodiversity, with 1,400 species of higher plants recorded and 1,500 aquatic species, 80 percent of which are found nowhere else on the planet. A particularly significant aquatic species is the unique freshwater Baikal seal. Indeed, UNESCO recognizes the Lake Baikal region as a Natural World Heritage Property.

As with Parks in Peril, the Lake Baikal watershed program emphasizes long-term sustainability by coordinating land use. By strengthening land-use authorities, much as Parks in Peril’s on-site management was enhanced, the Agency is helping build stronger institutions and better land–water stewardship. Ecologically Sustainable Development, Inc., also implemented models related to agriculture, ecotourism, land-use projects, and sustainable forestry.⁵²

USAID's Lake Baikal work has concentrated on the legal designation of Arakhley Lakes as a refuge. At an ESD-organized public meeting, local residents expressed their strong belief that the lakes should be protected. As a result, the local government organization adopted regulations to guide management and ensure watershed protection. A director and rangers have already been hired for the refuge, and NGOs and educational institutions are involved in fostering environmental awareness.

The lessons learned at Arakhley Lakes are being used to establish another protected one area in the Chita oblast.⁵³ The federal forest service with responsibility for this oblast drafted a new 10-year plan for forestlands based on multiple-use concepts developed with USAID support. ESD has also successfully introduced more modern land-use planning techniques assisted by geographic information systems at regional centers in Chita, Irkutsk, and Ulan Ude. These centers have helped land-use planners produce thematic maps with several layers of integrated information including geology, hydrology, and human-induced impact zones.⁵⁴ These efforts were closely coordinated with the Department of State and USAID's Commodities Import Program.

Other ESD projects strengthen biodiversity, including Kizhenga Farms, where students are trained in agricultural and environmental practices. Training at the Siberian Agricultural Institute led to farmers adopting organic fertilizers and crop rotation.⁵⁵ Such demonstrations of environmentally benign agriculture help ensure that the Lake Baikal watershed will be free of pollutants from other more damaging agricultural practices.

Whether in Latin America and the Caribbean or in the Russian Federation, the Agency works to strengthen parks and protected areas and the institutions that manage them. These efforts help preserve biodiversity. Local and national governments, national NGOs, and the local communities and indigenous peoples that live near the protected areas are involved. In both the Parks in Peril Program and the Lake Baikal Watershed Program, USAID learned valuable lessons about the importance of reaching out and working with stakeholders. The Agency needs to do more in these areas, and it is exploring ways to make this happen. The sustainability of its efforts, whether in terms of the career stability of newly trained personnel or the future financial support for protected areas, is an area USAID can affect.

V. CONCLUSION

This past year has seen increased attention worldwide to environmental issues—especially those that have challenged the world's abilities to protect air, water, and other natural resources; to preserve life; and to sustain economic livelihoods. El Niño had devas-

tating effects on Africa, Asia, South America, and the U.S. West Coast. Biologically rich forests in Indonesia were sacrificed; uncontrolled forest fires filled the skies in Southeast Asia, Brazil, Mexico, and Central America with health-threatening haze and smoke.

At the same time, 1997 witnessed progress on several transboundary issues, including the signing of the Kyoto Protocol to curb global greenhouse gas emissions. USAID continued to take a leadership role worldwide with efforts such as its Climate Change Initiative and its global urban strategy Making Cities Work.

The Agency maintained close working relationships with development partners in 1997 to support five shared environmental objectives: global climate change, biological diversity, sustainable urbanization and pollution management improvement, environmentally sound energy services, and improved natural resource management. There was a modest rise in the number of USAID-assisted countries with environmental programs—mainly in Latin America and Africa—but the overall distribution among the five environmental objectives remained about the same.

In 1997, USAID was better able to monitor and measure its environmental performance and to meet its stated targets. But the bigger environmental picture remains, at best, cloudy. The strength of USAID's environmental programs rests primarily on its ability to pioneer and test new approaches in selected sites, to innovate public-private partnerships to benefit the environment, and to energize community-based natural resource stewardship.

Given the immensity of the environmental challenge and serious resource constraints, the Agency works mostly at pilot sites to develop and test interventions. Desired environmental change at the national, transnational, and global level can only come, realistically, from replicating and spreading the strategic efforts of USAID, its environmental partners, and the wider donor community. Unfortunately, some evidence suggests that worldwide donor commitments to the environment, like those of the World Bank, are not keeping pace and may even be declining.

Worldwide environmental trends continue to spiral downward. Insufficient land is being set aside for conservation and protection, coastal resources and tropical forests are still being rapidly depleted, deforestation rates continue to rise—even accelerate. Urban pollution gets worse, not better, as cities expand beyond their limits to provide essential municipal services. One of the few positive environmental trends in 1997 is that more countries are recognizing the need to develop and implement national environmental action plans. How strong this commitment is in the face of competing developmental demands such as job creation, energy production, and massive land clearing, as well as natural disasters and civil instability is not known. Too often, the environment is a silent objective that “can wait,” or one that competes directly with economic growth.

I. INTRODUCTION

Humanitarian assistance is an act of national conscience and an investment in the future. It is a response to U.S. values and ideals as it saves lives, reduces suffering, and protects health.

The United States has a long and generous tradition of providing assistance to the victims of disasters, especially women and children. The primary purpose of humanitarian assistance is to respond to crisis. It is not a substitute for long-term development programs, but does safeguard investments in economic and social development. Because emergencies are increasingly complex, USAID's responses are becoming more comprehensive. USAID involvement in politically significant areas such as Angola, Haiti, the Horn of Africa, Indonesia, and North Korea is evidence of the growing value of humanitarian assistance in furthering U.S. interests in peaceful transition and development.

USAID's humanitarian assistance goal is to save lives, reduce suffering associated with natural or man-made disasters, and reestablish conditions necessary for political or economic development. Three principles guide the Agency's programs:

- Emergency response, centered on saving lives and reducing suffering, should simultaneously lay a foundation for a return to sustainable development by supporting local capabilities and participation and reestablishing people's livelihood and self-sufficiency
- Prevention and mitigation of the effects of disasters should be built into response programs
- Timely, effective assistance to countries emerging from crisis may make the difference between a successful or failed transition

USAID provides humanitarian assistance in three broad categories—natural disasters, man-made disasters, and complex emergencies. *Natural disasters* are caused by physical hazards such as drought, earthquake, fire, flood, and pest and disease outbreak. *Man-made disasters* are caused by human error in design, implementation, operation, or management, such as a building collapse or industrial accident. *Complex emergencies* may include natural disasters such as droughts but are frequently caused or complicated by civil strife. They are manifested in armed conflict, death, displaced populations, hunger, and injury.

Complex emergencies are increasing in number and intensity around the world. In 1997 there were 25 major armed conflicts; all but one were internal.¹ Conflicts fluctuate in intensity and are difficult to resolve. Relief assistance is necessary to meet the basic needs of large populations for long periods. In addition to the challenge of responding to these disasters, USAID has a new responsibility to respond to terrorism and biological, chemical, and nuclear disasters in developing countries. USAID's work in complex emergencies and transition from crisis to relative stability is the subject of this chapter.

6

HUMANITARIAN ASSISTANCE

“American values mandate offering assistance and international leadership to help alleviate human suffering from crisis, whether man-made or natural, even when there may be no direct or indirect threat to U.S. security interests.”

—U.S. Strategic Plan for International Affairs, 1997

The rapidly growing number of complex emergencies has shifted the focus of humanitarian assistance somewhat. In the past, agencies such as USAID would provide food, shelter, and medical care to people who had experienced some sort of disaster and would assume, usually correctly, that they would be able to resume their path toward development as soon as the incident subsided. What USAID is experiencing is that this does not apply to most complex emergencies, because the most basic social, governmental, and physical infrastructure has been destroyed, often by years or decades of conflict. While there must be assistance to meet the immediate needs of those suffering from conflict, helping countries reach the stable, peaceful situation needed to resume development requires a much larger investment in what is called a transition program. In these programs it is sometimes difficult to see where humanitarian assistance leaves off and development assistance begins: often there is a significant overlap of the two types of assistance. Aspects of this will be discussed in section IV of this chapter.

The Humanitarian Assistance Strategic Framework

To achieve its goal in humanitarian assistance, USAID outlined a strategic framework that includes prevention, relief, and transition objectives.

- **Prevention: Reducing the Potential Impact of Humanitarian Crises**

Effective preparedness plans along with early warning and disaster mitigation systems help predict and lessen the impact of disasters and improve the ability of countries to cope with crises.

- **Relief: Meeting Urgent Needs in Crisis Situations**

Providing timely and effective emergency relief helps meet critical needs. Emergency assistance keeps thousands of people alive during disasters by providing essential food, shelter, and water.

- **Transition: Establishing Security and Restoring the Function of Basic Institutions to Meet Critical Needs and Basic Rights**

Helping societies and governments shift from emergency relief to regaining political and social stability is an important component of humanitarian assistance. Demobilization of ex-combatants and removal of land mines enhances local security. Strengthening local governance and institutions promotes reconciliation and helps reestablish societies. Rebuilding social and physical infrastructure integrates relief with transitional and development assistance.

AGENCY GOAL SIX

Lives Saved, Suffering Reduced, and Development Potential Reinforced

Agency Objective 6.1

Prevention
Potential impact of humanitarian crises reduced

Agency Objective 6.2

Relief
Urgent needs met in crisis situations

Agency Objective 6.3

Transition
Security established and basic institutions functioning to meet critical needs and basic rights

Distribution of USAID Programming

USAID administers several humanitarian assistance programs. A unique aspect of USAID's assistance is its cooperation with the U.S. Department of Agriculture in distributing surplus American food to those in need abroad. The Office of Food for Peace in USAID's Bureau for Humanitarian Response manages the Title II Public Law 480 program, in coordination with regional bureaus and USAID Missions. This program provides the bulk of U.S. food assistance in emergencies and disasters.²

Other resources are International Disaster Assistance, which provides relief, rehabilitation, and reconstruction assistance to victims of disasters, and Development Assistance funds. In addition, regional bureaus manage resources used for humanitarian assistance, including Support for East European Democracy and the Freedom Support Act.

Humanitarian assistance improves the capacity of countries to plan and prepare for disasters, mitigate their effects, and respond when disaster strikes. Funding supports longer term rehabilitation and recovery for countries in transition emerging from complex emergencies. These activities emphasize the special needs of countries emerging from crisis caused by political and ethnic conflict. They help nations return to the path of sustainable development, mitigate the impact of disasters, and minimize the need for future humanitarian and disaster relief. These programs are managed by USAID's

Transitions

In a rapidly changing world, USAID is involved in different types of transitions. Transition encompasses a variety of dynamic situations, often implying marked and dramatic changes in economic, political, and social areas. The Agency uses this word to refer to at least five different situations:

- From a society in conflict to a society at peace
- From relief to development
- From authoritarian types of government to democracy
- From a closed market to an open, market economy
- From receiving development assistance to graduation from assistance

Office of Foreign Disaster Assistance and the Office of Transition Initiatives.

In all its humanitarian assistance endeavors, USAID works closely with other donors, international organizations, PVOs, and other U.S. agencies. Its partnerships with other groups enable USAID to leverage and share resources.

In 1997, 20 countries and regional and central USAID offices had strategic objectives supporting one or more of the humanitarian assistance objectives—prevention, relief, or the most active, transition. Fifteen Missions and offices had objectives to assist with the transition process. Nine countries and offices pursued objectives in support of relief and another nine each supported prevention. The annexes detail information on USAID programming in humanitarian assistance.

II. AGENCY PROGRESS TOWARD HUMANITARIAN ASSISTANCE GOALS

TABLE 6.1: FY97

Number of People Assisted by Bureau for Humanitarian Response Emergency Programs, by Region*⁴

Region	OFDA (% affected reached)	FFP (% targeted reached)
Africa	15,606,000 (59)	4,890,000 (61)
Asia and Near East	1,470,000 (13)	3,718,000 (83)
Europe and the new independent states [†]	1,539,000 (68)	2,982,000 (95)
Latin America and the Caribbean	143,000 (61)	‡
TOTAL	18,758,000	11,590,000

OFDA is the Office of Foreign Disaster Assistance; FFP is Food for Peace.

* Office of Transition Initiatives programs (not included in table) include media activities that reach entire country populations, and demining activities that benefit refugees, returnees, merchants, and farmers who begin to use land and roads made safe. Determining the number of direct beneficiaries is difficult.

[†] Separate ENI Bureau programs reached 8.4 million beneficiaries.

[‡] There were no emergencies in this region in 1997 that required emergency food aid.

Note: There may be emergencies in which different USAID programs reach the same beneficiaries.

Measuring the impact of humanitarian assistance programs is challenging. First, it is difficult to distinguish between various causes and effects. Second, USAID’s country and regional programs operate at different levels and have different objectives, making an assessment of overall Agency performance difficult. USAID recognizes that it must improve its analytic capacity in this area to design better strategic approaches that address a wider array of social, political, military, and economic issues. Although saving lives is the primary aim of most emergency programs, preserving and promoting livelihoods is becoming equally important to achieving effective economic and political transitions.

USAID, with other multilateral and bilateral donors, is beginning to pilot-test and implement information systems that will be used in emergency situations to monitor Agency capacity for saving lives and reducing suffering. In a preliminary effort to quantify the results of USAID efforts, the Agency selected the following indicators:

- Crude mortality rate in selected emergency situations
- Levels of acute malnutrition stable at, or declining to, acceptable levels in emergencies
- Number of people displaced by open conflict by region
- Changes in the number and classification of designated “postconflict transition” countries

Since humanitarian assistance operates in fluid, complex situations, these indicators will be initially applied on a pilot basis to determine whether data collection is feasible. Reporting on these indicators requires working with other donors and agencies that collect or report on these or similar ones.

USAID monitors both country-level indicators and operational-level performance. As part of the planning process, USAID identifies strategic objectives for programs. To measure performance, an indicator must have two elements: an *annual target* (derived from baseline data) and *actual data* on performance during the year under review. In 1997, target and actual data were reported for 50 percent of established humanitarian assistance strategic objective indicators. This is a significant improvement over the 10 percent with baseline and actual

data in 1996. Of the strategic objectives with data, targets were met or exceeded in 81 percent.

Monitoring by country and regional programs allows USAID to demonstrate success in reaching its intended beneficiaries. Table 6.1 shows the number of beneficiaries of USAID's Bureau for Humanitarian Response emergency programs, which provide food, health, water, and sanitation. In addition, the Bureau for Europe and the New Independent States provided assistance to 8.4 million people.

Of 24 strategic objectives in support of the humanitarian assistance goal,³ technical reviews by the regional bureaus judged that 29 percent exceeded performance expectations, 50 percent met expectations, and 21 percent fell short of expectations in 1997.

III. HIGHLIGHTS

Humanitarian assistance is a relatively new goal area under the Agency Strategic Plan. A wide array of cross-cutting programs are included under the three objectives, from the short-term provision of relief to victims of natural disasters to longer term programs that encourage recovery, rehabilitation, and development.

In 1997, USAID reached more than 11.5 million people with food aid through Title II PL 480 programs, implemented primarily by U.S. PVOs and the World Food Program in 28 countries in Africa, Asia, and Europe. The program provided 781,360 metric

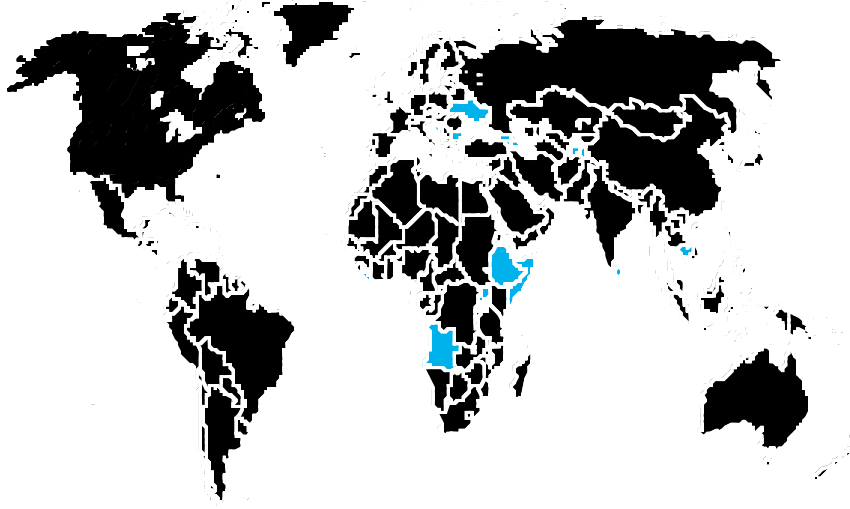
tons of Title II emergency food aid valued at \$404.1 million.⁵

The World Refugee Survey 1998 estimates there were 13.6 million refugees and asylum seekers in 1997.⁶ USAID provided emergency food aid to more than 10 million (a full 76 percent of them), but data were not available for some programs. Much of this assistance was provided through the World Food Program.

USAID's Office of Foreign Disaster Assistance provides emergency assistance primarily in health, sanitation, shelter, and water. In 1997, the Office

MAP 6.1

Objectives 6.1, 6.2, and 6.3



Country Programs

Objective 6.1: Potential Impact of Crises

Reduced	
Armenia	Georgia
Bulgaria	Somalia
Ethiopia	Uganda

Objective 6.2: Urgent Needs in Times of Crisis Met

Angola	Georgia
Armenia	Somalia
Bosnia	Tajikistan
Ethiopia	Uganda

Objective 6.3: Security & Basic Institutions re-Established

Armenia	Liberia
Angola	Rwanda
Azerbaijan	Somalia
Cambodia	Sri Lanka
Croatia	Tajikistan
Georgia	Ukraine

Regional Programs

(objective 6.1 only)

REDSO/ESA
African Sustainable Development

spent \$140 million to help more than 18 million victims of 48 officially declared disasters in 46 countries. Of these disasters, 13 were complex emergencies, 27 were natural disasters, and eight were man-made emergencies.⁷

In addition, the Office works to reduce the impact of disasters on victims and economic assets in disaster-prone countries. In partnership with international agencies and other U.S. government agencies, USAID invested in a number of programs to enhance countries' capacity to manage their own disasters and hazards. These programs range from investing in drought early warning systems that can possibly head off a famine to training local relief workers to manage disaster response more effectively.

USAID ensures that critical political processes are in place to lead to enduring economic, political, and social progress. The Office of Transition Initiatives seeks to enhance democratic processes by rapidly implementing interventions that are designed to meet specific needs. In 1997, the office promoted peace and security, with significant progress toward advancing political transitions in **Angola, Bosnia, Guatemala, Liberia, and Rwanda**. In all five countries, freedom of movement improved with the availability of objective, timely information on the economic, political, and social situation.⁸

In 1997, the Bureau for Europe and the New Independent States supported more than 8.4 million of the most vulnerable populations in central and eastern Europe and the new independent states, at a cost of more than \$79 mil-

lion. All the countries in this region were undergoing economic, political, and social transition. Several are also experiencing conflict—**Armenia, Azerbaijan, Bosnia–Herzegovina, Georgia, and Tajikistan.**

Natural Disasters

On November 12, 1996, an earthquake struck the Pacific Ocean close to Lima, **Peru**, the worst to strike the region since 1940. It killed and injured people in several cities, affecting more than 81,000 people. USAID provided emergency relief supplies, such as tents and blankets for 56,000 displaced persons.

In early January 1997, drought in **Kenya** caused widespread crop failure, water scarcity, and deteriorating pasture, affecting 1.6 million people. USAID provided \$1.8 million to support drought relief and promote recovery. Through the World Food Program, USAID provided 5,800 metric tons of emergency food aid valued at more than \$2.5 million. Assistance efforts and the timely return of rains prevented a large-scale crisis.⁹

USAID provides humanitarian assistance even in hostile areas. On May 10, 1997, an earthquake in eastern **Iran** left more than 19,000 houses damaged and 60,000 people homeless. Within four days, USAID provided \$100,000 for blankets, food, tents, winter clothing, and other essential items for the survivors.¹⁰

Throughout 1997, the **Democratic People’s Republic of Korea** suffered from extreme food shortages and generalized economic decline. Chronic, systemic deficiencies exacerbated by

several years of natural catastrophes left millions vulnerable to malnutrition and starvation. Floods in 1996 damaged more than 400,000 hectares (1,550 square miles) of arable land, left 500,000 people homeless, and caused more than \$1.7 billion in damage to crops and infrastructure. Because of the loss of crops and infrastructure in 1997, an estimated 2.5 million women and children were at serious risk of starvation. In coordination with UNICEF, the World Food Program, and other donors, the United States provided more than \$52 million in assistance. A consortium of American PVOs monitored U.S. aid to ensure that it reached vulnerable groups, such as young children and the elderly.¹¹

Man-Made Disasters

Although man-made disasters do not generally cause significant physical damage, they do affect people’s lives. Often countries and communities do not have the capacity to respond to them. For example, a fire in **Guinea–Bissau** left an entire community homeless, killed domestic animals, and destroyed grain stores. USAID restored people’s homes and livelihoods by providing repair materials and replacing livestock.¹²

Following the collapse of high-risk investment schemes in late 1996, **Albania** was plunged into armed chaos in March 1997. Individuals and families suffered significant financial losses. Demonstrations escalated into violence. More than 2,000 people were seriously wounded and 180 people were killed. Thousands fled by boat across the Adriatic Sea to Italy. USAID provided supplies to hospitals treating victims of the armed violence.¹³

**In 1997
the Office spent
\$140 million to help
more than 18 million
victims of 48 officially
declared disasters in
46 countries.**

Complex Emergencies

Complex emergencies involve a combination of factors, including political and ethnic violence and a breakdown of governance and social infrastructure. Affected populations need relief assistance while economic, political, or social issues are being resolved. For example, in **Azerbaijan**, there were more than 700,000 refugees and internally displaced persons as a result of the continued dispute between

Azerbaijan and **Armenia** over the Nagorno Karabakh region. USAID implemented new programs during 1997 to do emergency repairs for health, safety, and sanitation to public buildings used to house refugees and internally displaced persons. By the end of 1997, more than 21,000 families benefited from rehabilitated housing that had safe electrical systems, working plumbing, and basic winterization.¹⁴

Increasingly, USAID is designing its humanitarian assistance programs to encourage recovery and rehabilitation, and to develop a capacity to address future needs. For example, the Agency's relief programs incorporate the development principles of building local capacity and involving beneficiaries in program decision-making. USAID programs integrate emergency response and long-term development, sometimes undertaking them simultaneously.

Under Title II emergency funding, the Agency is exploring and testing new program approaches to bridge relief and

development. For example, USAID is implementing a transition program to respond to **Angola's** changing situation as it draws away from years of war and struggles with socioeconomic problems and instability. The program is meeting critical food needs while addressing longer term issues. One project, for example, incorporates four complementary components. It provides emergency food aid to the most vulnerable, runs food-for-work activities to rehabilitate rural infrastructure and create seasonal employment, rehabilitates farming systems through revitalization of agricultural production, and monitors food security indicators for project planning and design.

The project has been so successful that 17,600 beneficiaries of free food distribution have been graduated to the food-for-work activities. Of the original 68,000 who required emergency food aid, only 37,000 continue to need it. The project also helped 56,000 internally displaced persons with families resettle and integrate into new communities through agriculture infrastructure rehabilitation.¹⁵

These project results are reflected at the national level. At the beginning of 1997, USAID was providing free assistance to 540,000 people. By the end of 1997, this had fallen to 200,000 recipients. USAID was then able to radically shift its assistance. Initially, it provided large-scale distribution of agricultural input packs, emergency health interventions, therapeutic feeding, and other emergency activities. Subsequently, USAID was able to move to reconstruction, agricultural extension, and community rehabilitation.^{16, 17}

USAID activities in southern **Sudan** illustrate how it links relief assistance to longer term objectives. The Agency not only provided food aid but also supported rehabilitation of local production, particularly in agriculture and livestock, and contributed to the development of local capacity in health and sanitation.

In 1997, USAID programs facilitated the resettlement of 80,000 internally displaced persons in their original areas and the gradual repatriation of 90,000 Sudanese refugees from northern **Uganda**. The Agency provided food and agricultural assistance to 25,000 former internally displaced persons and refugees. These programs, undertaken in concert with the U.S. Integrated Strategic Plan for Sudan, aimed at increasing local capacity for food self-reliance and facilitating viable resettlement options. By reducing ration sizes and distributing seeds and tools, the programs encouraged local food production, even among internally displaced people who did not know where they would eventually resettle.

In southern Sudan, USAID resettlement activities coincided with provision of agricultural tools, seeds, and medical services. In 1997, USAID programs provided primary and secondary health care to 1.8 million war-affected victims in government-held areas and 2.6 million in rebel-held areas in the south. A locally trained mobile medical team provided public health care for an additional 144,080 war-affected people in areas where security is threatened. USAID programs provided potable water and sanitation to 49,000 war-affected people.^{19,20}

Rwanda: Women in Transition

Women and children make up at least 70 percent of refugee populations. The number of female-headed households rises dramatically in transition countries. In Rwanda, USAID's Office of Transition Initiatives responded to the critical needs of female-headed households following the tragic events of 1994 by establishing the Women in Transition program in partnership with the Ministry of Family, Gender, and Social Affairs. The program provided grants to 300 rural women's associations that provided housing, income generation, livestock, seeds, and tools, directly benefiting 40,000 people. This program shows that women can be active and successful participants in Rwanda's transition to peace and stability. An unintended but equally important consequence was that even refugees who were not direct recipients felt an increased sense of security, allowing them to return to their own communities more confidently.¹⁸

Liberia illustrates the challenges and the potential for progress in a complex emergency. Throughout 1995 and 1996, close to 2 million people required emergency assistance. That number began to drop in 1997 as the disarmament process took hold and a new president was elected. USAID shifted its emphasis from emergency assistance to postwar transition, rehabilitating institutions and infrastructure. In partnership with other donors, such as the European Union and the United Nation's Food and Agriculture Organization, USAID permanently resettled 150,000 internally displaced persons in rural areas by the end of 1997.²¹

The Food and Agriculture Organization estimates that rice production, which had fallen by 70 percent during the war, increased in 1997 to 60 percent of pre-war levels. Consequently, estimated

“In the last several years we have learned a great many lessons about working in the difficult and politically charged environment of transition countries. Not all of these lessons have been easy ones. In places like Angola and Liberia we have seen how easy it is for nations in transition to suffer major setbacks. But as Franklin Delano Roosevelt said: ‘It is common sense to take a method and try it. If it fails, admit it and try another. But above all, try something.’”

—J. Brian Atwood,
USAID
Administrator

food aid needs for 1998 were considerably reduced. However, as donors gained access to villages, they found extremely high levels of severe malnutrition. For example, in Lower Bong and Upper Margibi, 20 percent of children

showed wasting and 37 percent showed swelling, both signs of malnutrition. After donors, including USAID, implemented general ration and selective feeding programs, only 6.4 percent of children showed these symptoms.²²

IV. COUNTRIES IN TRANSITION: CASE STUDIES

Countries in transition face threats as well as opportunities as they undergo rapid changes and have a corresponding mix of relief, rehabilitation, and development needs. Increasingly, USAID is helping countries move through transitions, rather than merely providing relief assistance. For countries emerging from war, conflict, or other crises, the transition from relief to development presents complex challenges. Rwanda’s USAID Mission describes the transition as a “mosaic of progress and failure...of advance and retreat.”²³

Since the concept of *transition* is complex, and interventions difficult to categorize, this chapter presents several case studies to demonstrate the range of problems, USAID responses, and what the Agency has learned from its experience in this area.

El Salvador

El Salvador shows the shape of a mature program that has moved through transition and appears prepared to increase its commitment to development. A five-year project, beginning after the 1992 Peace Accords were signed, ended in September 1997. The USAID Mission’s efforts to help El Salvador make the transition from war to peace were successful. Peace, a primary prerequisite for development, is now an integral part of the society.

USAID took a multi-pronged approach, supporting economic transition. During the project’s five years, more than 107,000 people, both ex-combatants and civilians, received training and technical assistance in agriculture and small business development. In 1997 alone, more than 6,000 people received assistance.

Under the land transfer program, mandated by the Peace Accords, 36,059 ex-combatants and squatters received land. USAID helped ensure that beneficiaries held their land free and clear of all debt. In 1997, USAID helped 1,277 recipients on 29 properties receive individual titles under a pilot land-parceling activity. In addition, 9,000 people wounded during the war were rehabilitated. Reintegration was made possible through education and training programs, land ownership, and microenterprise credit.

USAID channeled nearly \$100 million through 137 nongovernmental organizations for a wide variety of activities in support of ex-combatants and civilians, thus building civil society. More than 175,000 Salvadorans participated in 1,378 municipal open town meetings nationwide. In local elections, more than half of registered voters or 39 percent of eligible voters voted in what turned out to be free and fair elections. Although voter turnout was lower than

expected, lack of confidence in the system, which was a major concern in the 1994 elections, was no longer an issue. Limited candidate choices and the fact that it was a local, not a national, election contributed to the low turnout.

USAID supported judicial reform, another historic step in the political transition. Reforms include new criminal procedures and sentencing codes, provisions for oral adversarial procedures, respect for due process, accelerated case processing, and the availability of mediation and alternatives to pretrial detention. After extensive work during 1997, reforms took effect in April 1998.

Working through an extensive NGO network, USAID increased access to legal services by training 4,500 community, municipal, and NGO leaders on citizen rights and institutional responsibilities described in the new criminal legislation. In 1997 the Public Defender's Office provided free legal counsel to more than 8,000 citizens, twice the workload delivered in 1995.

Judicial reform substantially reduced case processing times. The wait in juvenile courts is now three months, less than one fifth the time it is for adult offenders. The courts have also been able to accelerate resolution, closing more than 70,000 backlogged cases since 1993, including 19,000 cases in 1997 alone. A 1997 national survey showed confidence in the courts has increased. Nearly half the citizens interviewed said they were confident of receiving a fair trial, compared with 30 percent in a 1995 survey.

USAID supported the social sector with 2,900 small-scale infrastructure

As a result of 1997 elections, **El Salvador** was promoted to the list of "free" countries, from "partly free," in the *1998 Freedom House Annual Survey of Political Rights and Civil Liberties*.

activities that benefited one fifth of the population, those hurt most by the war. USAID activities included building and repairing schools, health clinics, potable water systems, roads and bridges, and hundreds of miles of new, rural electrical service. About 10 percent of the infrastructure activities were completed in the final year of the project.

As a result, El Salvador exemplifies a country well on its way to establishing the principles of transition, and attention and investments can turn from overcoming what was lost in the war to effective development.

Guatemala

With the signing of peace accords in December 1996, **Guatemala** began an aggressive campaign to comply with the immediate and short-term objectives to advance national reconciliation. USAID's Special Peace Objective helped nearly 4,600 ex-combatants and special military police demobilize and resettle permanently within 15 months. They also benefited from the USAID-supported Land Fund, established in 1997. To date, 2,600 people, 58 percent of whom are ex-combatants, hold new land titles. In addition, USAID supported vocational training for 1,500 ex-fighters and military police.

Postconflict Transitions and Criminal Behavior

There is a direct corollary between postwar decreases in military violence and increasing violence caused by criminal activities. In Guatemala, programs helped ex-combatants make a legitimate transition to legitimate employment. At a time when crime is rampant, none of the ex-combatants involved in USAID-funded activities were implicated in criminal activities.

In the initial phase of the peace process, USAID was instrumental in helping set up the entities responsible for implementing the Peace Accords through SEPAZ, Secretaria de la Paz. Nineteen new “peace commissions” are now responsible for channeling civil society participation in public policy formulation, including proposing recommendations for constitutional changes, new laws, and executive branch programs. The Secretaria, implemented with the UN Development Program, has reduced potential conflicts in 25 high-risk communities by promoting dialog and productive investments.

The Historical Clarification Commission was established to address human rights abuses. Nearly 16,000 Guatemalans came forward to offer testimony on their experiences during the 36 years of civil war. USAID provided \$1 million toward financing the operational costs of the commission while the U.S. government provided thousands of newly declassified documents.

Social rehabilitation has begun with such programs as Communities in Transition and small-scale work projects to rehabilitate and expand infrastructure by building rural roads

and bridges, ensure water supplies, and provide electricity. In 1997, 45,000 people benefited from this program.

In an effort to promote a culture of tolerance through education and training, USAID has a scholarship program that has allowed 575 Mayan students to enroll in undergraduate and graduate degree training and 200 community education promoters to receive bilingual teacher certification.

USAID began to address economic transitions in a variety of ways. For example, the Agency monitors increasing tax revenues to measure the Guatemalan government’s ability to finance the terms of the peace accords. The Agency has also achieved advances in microenterprise projects, “village banking” programs, and productive agricultural alternatives in areas of former conflict. In 1997, USAID provided 1,478 loans to small producers, 50 percent more than planned.

In supporting the political transition, USAID is working under the democracy objective to ensure that the justice system works and is accessible to all. Justice centers are being opened in department capitals and outlying areas. Two were established in 1997. The newly created Justice Sector Coordinating Group (Instancia Coordinadora) is making significant inroads in justice reform as it brings together the three entities of the national justice system for the first time.

Angola

After 30 years of prolonged civil conflict, a comprehensive peace agreement was signed in late 1994. USAID designed a transition program to further the U.S. government’s political engage-

ment in **Angola** and to support national reconciliation. USAID designed its strategy and provided humanitarian assistance as a means to explore opportunities for transitional activities.

The transition program in Angola achieved mixed results. The humanitarian assistance component performed well during 1997. USAID supported national reconciliation by strengthening civil society and political institutions. Overall, Angola's performance on the democracy and governance front was noteworthy in 1997: members of the opposition party, the National Union for Total Independence of Angola (UNITA), were incorporated into the legislature; the government made progress in extending state administration; debates were held on the budget; and parliamentary debates were broadcast to the public.

Despite these advances, many of USAID's own program targets were not met. The Agency's reconciliation activities had a significant impact in 1997, but a number of activities were delayed. Slow establishment of provincial and local authorities and other indications of a lack of political will inhibited progress toward USAID's objectives.

For example, one of USAID's program goals was to increase administrative leadership capacity at local and national levels. USAID supported activities that galvanized more than 400 people from the entire political spectrum to share ideas on a range of issues, including protection of basic human rights. However, it was not possible to begin strengthening the capacity of local and provincial administrators because their positions had not yet been established. Similarly, the Agency had to slow down proposed activities aimed at

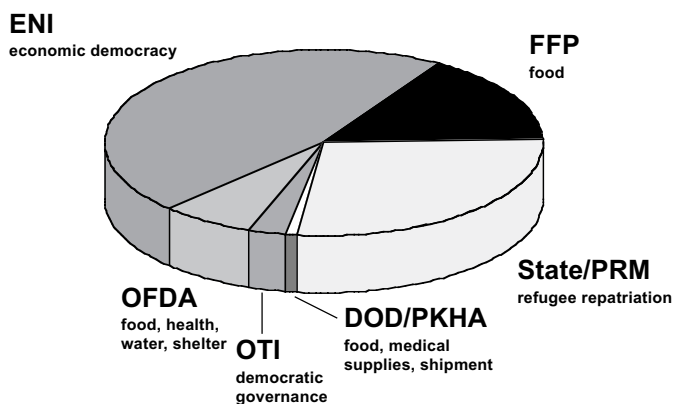
improving electoral processes because the slow pace of demobilization and demilitarization made the government reluctant to plan elections.

Despite the challenges presented by the slow-moving peace process, USAID did achieve impressive results, particularly in the areas of promoting human rights and training journalists how to report news in a balanced way. USAID's transition program in Angola demonstrates that well-targeted, well-managed programs can achieve significant positive results, but a broad political will for peace is the critical element in a successful transition. Clearly the breakdown of the political consensus and resumption of fighting in late 1998 show that the peace process was not as well consolidated as many had hoped.

Bosnia–Herzegovina

In **Bosnia–Herzegovina**, USAID worked to support a fragile peace accord that required a high degree of flexibility to meet fast-changing needs. Although the war ended in December 1995 with the signing of the Dayton Peace Agreement, living conditions remain insecure.

Figure 6.1
Summary of U.S. Government Assistance to Bosnia



Although progress has been made, there are still 1 million Bosnian refugees and internally displaced persons. Some of the critical issues for returnees are safety and security, housing shortages, inadequate municipal infrastruc-

Reconciling Ethnic Conflicts: Bosnia–Herzegovina and Croatia

USAID evaluated the role of ethnicity in modern intrastate conflicts and how peace-building efforts and specific approaches can bridge ethnic gaps. The evaluation reviewed USAID and other donor activities in private sector reactivation, alternative-media support, and civil society strengthening. One finding that emerged clearly was that all ethnic factions have a strong and active desire for an enduring peace. In addition, the evaluation noted that

- Small private business and professional organizations with an integrated leadership and organizational structure promote interethnic cooperation. Linkages that promote trade, commerce, or marketing with other associations—particularly across ethnic geographic boundaries—can help dissolve restrictions on trade and communications.
- The economic viability and income potential of enterprises is directly linked to their success in attracting and retaining interethnic members. Having boards with various ethnic factions participating ensures that each group's interests are represented. As long as the enterprise is successful, production chains relying on various ethnic minorities create permanent links between groups.
- Permanent communication networks are essential for initiating and maintaining linkages, especially those channels that cannot be controlled by outside political forces. A long-term media strategy that promotes open and credible alternative sources of news should concentrate on building democratic, sustainable media with professional journalists.
- A highly nationalistic, strongly separatist political leadership is one of the greatest obstacles to reconciliation, at both the community and national levels. The establishment of ethnically based states from the former Yugoslavia and strong nationalistic political leadership created barriers through control of policy, regulations, and laws.

ture services, scarce employment opportunities, and a fragile economy. In 1997 the U.S. government, including USAID, the State Department, and the Department of Defense, provided \$283 million to Bosnia. USAID assistance alone totaled \$202 million to address the immediate and long-term needs of refugees and internally displaced persons. The Agency provided emergency food aid, health, water and sanitation, and seeds and tools, and also supported land mine removal, democratic reform (indigenous media and civil society organizations), economic stabilization, election support, human rights, and police training.²⁴

One USAID objective was to rehabilitate communities and support economic stabilization. U.S. PVOs, in partnership with local NGOs, ran programs that repaired 24 district heating facilities and heating units in the apartments of 190,000 Sarajevo residents, repaired five boiler houses in newly integrated Serb neighborhoods, and repaired 20,000 square meters of apartment roofs. Owing to these efforts, the residents of 4,000 apartments in 55 buildings in one of Sarajevo's most war-torn neighborhoods were provided with warmth, security, and hygienic conditions.

USAID supported the rehabilitation of community buildings and public facilities in mixed ethnic municipalities. PVOs worked in an ethnically divided community to rehabilitate and repair schools, housing, a local hospital, joint community facilities, and small infrastructure projects. Through PVOs, the Agency rehabilitated six war-damaged schools in one of the safe havens. Later, USAID assistance repaired electrical and water systems to encourage the return of 10,000 former residents to the

valley. In Sarajevo, windows and glass broken during the war were replaced in civic structures, such as schools and hospitals, and in residential structures inhabited by more than 48,000 elderly and other vulnerable people.

These activities contributed to the U.S. government goals of increasing opportunities for productive employment and encouraging the return of displaced persons.

Cambodia

Following the May 1993 elections, the United States made a strong commitment to **Cambodia's** future with significant coordinated assistance provided through USAID, the Department of State, the U.S. Information Agency, and the Department of Defense (military training and demining). The cornerstone of U.S. government assistance, as identified in USAID/Cambodia's 1995 strategy, was support for the country's fledgling democracy, particularly the elections process. The survival of a democratic Cambodia became one of the U.S. government's most important foreign policy objectives in East Asia. USAID established its program, adding a number of more traditional sectoral programs and objectives to support this objective. It also sought opportunities to support the country's pressing economic growth and humanitarian needs.

The transition strategy assumed a small window of opportunity for the newly formed government, perhaps no more than three years, during which the fundamental building blocks of a democratic society needed to be established. These building blocks were identified as electoral processes, responsive gov-

ernance, respect for human rights, a functioning legal system and legislature, and a strong core of civil society organizations. The return of the country's traditional authoritarian public life and the coalition nature of the government, which tended to hinder democratic debate and public discussion, presented major challenges.

These observations proved prescient. In July 1997, Hun Sen, leader of the Cambodian People's Party, seized power, upsetting the unstable political balance between himself and his coalition partner, Norodom Ranariddh. The violent dissolution of the coalition government left the Association of South East Asian Nations and the United Nations with the responsibility of ensuring that Cambodia would emerge whole and democratic from this political contest of wills. However, there was no plan or any real leverage to accomplish this task.

USAID carefully coordinated its response with the Department of State. It cut assistance dramatically in all areas except humanitarian assistance and certain democracy activities, and terminated direct assistance to the government of Cambodia, except in maternal and child health and HIV/AIDS prevention. These actions had several unanticipated outcomes, two of which provide valuable lessons for countries undergoing transition. First, in an environment where the government cannot be considered a responsible partner, USAID realigned its priorities. Recognizing the need for continued support to war and land-mine victims, for example, USAID established the non-governmental Disability Action Council. This shift in responsibility, with the NGO community taking the lead, was an important step toward sustainable development in this sector.

“We must maintain a balance among security, political, economic, and social objectives. And we must have the right tools.”

—Madeleine K. Albright,
Secretary of State

Second, USAID’s long-term support for many of the country’s human rights organizations paid off after the violence of July 1997. These groups monitored the government’s actions, highlighting human rights abuses during this unstable period. While it is impossible to know what would have happened had these organizations not existed, they played a crucial role in Hun Sen’s decision to hold national elections in July 1998. Several NGOs actively monitored the environment leading up to those elections.

The U.S. government’s position on assistance to the Cambodian government remained unchanged as of September 1998. Hun Sen’s Cambodian People’s Party won the July 1998 elections, which are being challenged by the two major opposition parties. It is unclear how Cambodia’s political crisis will be resolved. Support to the nascent nongovernmental sector, as opposed to the government, is the only accepted mechanism for providing this troubled country with the humanitarian and developmental assistance it so desperately needs.

V. AGENCY LEARNING IN PROMOTING EFFECTIVE TRANSITIONS

• A Framework of Phases and Actions

Transitions require simultaneous actions in relief, stabilization, demilitarization, and political and economic transformation. Using its experience, applied research, and evaluations, USAID is developing conceptual frameworks to guide its strategic planning and programs. The Agency shares best practices and lessons learned with the donor community at large. Many innovations, such as the disaster assistance response team concept—which is a quick-response, multisectoral team that assesses disasters and ensures timely delivery of essential needs—have been picked up by other agencies.

An integrated approach to economic, political, and social rehabilitation in postconflict situations is necessary. This approach should include support for political and economic decision-making in communities, equitable power-sharing, and assistance to maintain

livelihoods and markets, even early in the relief effort. However, even given political and economic stabilization, some situations have found that establishment of social safety nets has been important in moving from relief to economic rehabilitation.

There is an emerging role for humanitarian and economic development assistance in consolidating peace and maintaining the momentum to implement peace accords. This is particularly relevant as combatants are demobilized and a better balance is established between civilian and military roles and responsibilities. Lessons learned in Haiti and elsewhere clarify the need to establish a sense of security through a civilian-controlled police force and an accountable, disciplined central military force. USAID is applying these lessons in a number of transition situations.

USAID has learned that it is important to keep warring factions apart during the cool-down period to allow for a

reconciliation process to emerge. While relief is being provided, consideration should be given to support for the political transformation. Key objectives are promoting citizen involvement in overseeing government actions and developing the beginnings of a political culture based on democratic values operating under a rule of law. This should lead to a number of actions, including civic education and human rights interventions to support international and local human rights monitoring and reporting. Under rule of law, interventions should support judicial independence and local capacity to create a formal and informal judicial system. USAID has also gained expertise in the role of elections in the reconciliation process, the appropriate machinery for free and fair elections, and timing for elections.

Integrated Strategic Planning Within the Agency and U.S. Government

The many aspects of complex emergencies and the large number of U.S. government agencies involved in addressing them has encouraged integrated strategic planning. USAID's Greater Horn of Africa Initiative (GHAI) developed a set of principles to link relief and development. One, strategic coordination among all players, inside and outside the U.S. government, ensures maximum integration and use of available resources. Integrated and joint analysis and planning responds to the need to operate more effectively, particularly during the transition between acute emergency and long-term sustainable development. Although

USAID has engaged in integrated planning in the past, the Integrated Strategic Plan formalizes the approach, ensuring improved coordination.

Integrated Strategic Plans ensure that all USAID resources for relief and development are channeled to mutually agreed-on objectives and intermediate results. The development process itself reinforces an interbureau, country-team orientation in transition situations. It has facilitated holistic thinking about USAID's program, rather than a narrower focus on individual office or bureau mandates. In addition, it has generated productive dialog and strategic thinking among partners, and enhanced coordination and integration of USAID resources and other donor efforts. It has enabled the Agency and its partners to keep government counterparts informed and set the stage for increased USAID field management of centrally funded resources.

Integrated Strategic Plans and the principles developed by GHAI are experimental. The approach uses a rigorous, transparent, and somewhat different analytic process that includes more ownership at the country level. It also ensures the continued incorporation of U.S. foreign policy objectives in designing USAID country programs. The integrated plans provide specific mandates for action, but are sufficiently flexible that they can be adjusted if the situation warrants change. They are good management tools for decision-making. However, their flexible, inter-agency design makes monitoring impact extremely difficult and complicates results reporting.

“What is needed during this phase [transitions] is not a passing of batons from relief to development assistance, but rather partnerships in which each group brings its particular expertise and capacity to bear on the appropriate parts of the rehabilitation problem in a manner that is consistent and well coordinated.”

—Report of the
UN Secretary
General

Strategic Coordination: Working With Other Donors in Transitions

From experiences in places such as Somalia and El Salvador, donors are beginning to develop consensus on procedures for dealing with transitions and postconflict situations. In 1997, USAID sponsored conferences to address lessons learned and challenges in postconflict societies and established an informal network of organizations working in transitions. The World Bank is developing a draft set of operational and policy principles, emphasizing areas where donors and creditors can restore the economic and social infrastructure. For example, the lack of financial relationships has been a major stumbling block to fledgling governments seeking economic recovery. Progress has been made in countries such as Bosnia–Herzegovina and Rwanda, but these are exceptions.

Many challenges remain. Each donor has its own sets of requirements for planning, procurement, and funding. There is real competition for resources among donor agencies in supporting transitions. The mandates of bilateral organizations created during the Bretton Woods era are difficult to adapt to the transitional gray area between relief and development.

USAID has played a lead role in sharing knowledge with other donors and partners. This kind of joint leadership can augment individual donor strengths and leverage partners and funding.

Building Local Capacity

USAID has learned the importance of building local capacity early through a participatory process. Agency experience shows that participation generates local empowerment to control programs, mobilizes local resources, and helps sustain activities. Increasingly, donors recognize they can provide a supporting role in transitions, but not a leading one. Donor efforts to fill the gap created by a lack of government or governance and become the driving force without seeking local participation and leadership have failed.

In countries such as Cambodia, where the government was no longer a responsible partner, USAID shifted its partnership to the nongovernmental community to support rehabilitation. In southern and eastern Africa, the Agency for Cooperation and Research Development initially concentrated on national issues, then expanded its role and developed regional networks to support transitions.

In the aftermath of conflict in Somalia and Rwanda, several donors met to consider ways to support the rebuilding and reconciliation process in war-torn societies, establishing the War-Torn Societies Project using pilot country case studies in Africa and Latin America. This nonprofit organization, based at the United Nations Research Institute for Social Development in Geneva, uses an external, neutral party to facilitate dialog among warring factions. In Guatemala and Eritrea it supports the implementation of peace ac-

cords using a participatory approach with neutral observers helping to determine appropriate donor opportunities to address root causes of the conflict.

U.S. PVOs have been collaborating closely with local NGO counterparts, transferring technologies and skills to enhance institutional capacity. This collaboration extends to emergency management, vulnerability assessment, development of early warning systems for disaster preparedness, development of farming and food systems to mitigate adverse effects of natural disaster, and

community rehabilitation. Partnerships help countries reduce their vulnerability to disasters and increase their capacity to respond effectively.

Since humanitarian assistance programs are implemented primarily by nonprofit U.S. PVOs and local NGOs, they are also among the Agency's most cost-effective programs. For example, in 1997, the Office of Foreign Disaster Assistance helped 18.7 million people at an estimated cost of \$7.46 per beneficiary.²⁵

VI. CONCLUSION

In 1997, USAID reached millions of people with humanitarian assistance. Programs varied greatly in type and duration, level of funding, and complexity. Programs in several countries reported shifts from emergency activities to reconstruction, agricultural extension, and community rehabilitation. Given the rapidly changing environments in which humanitarian assistance programs operate—security, economic, political, and social—measuring the impact and progress of USAID's programs in quantitative terms can be misleading.

USAID and other donors made progress in learning about working in the difficult and politically charged environment of transition countries. In-depth analysis and operational experience during 1997 leads to the following conclusions:

- **Postconflict Transitions Require Different Strategic Planning Assumptions**

Postconflict transitions generally are very political in nature and require short planning horizons (one to three years) and different analytic assumptions than are typical for either humanitarian or development assistance. Agency experience in Africa and Latin America suggests that strategic planning is possible and useful as a management tool, and that it provides necessary flexibility to effectively integrate USAID programs for these transitions.

- **Transitions Take a Long Time and Are Management-Intensive**

Across the board, the Agency has learned that, despite short *planning* horizons, postconflict transitions themselves take at least five years, absorb

significant management resources, require day-to-day oversight, and need extensive coordination between field Missions and USAID/Washington and among USAID, the Department of State, and other donors.

- **The Agency Needs to Integrate and Learn From Experience in Transitions**

The Agency has a wealth of experience and information on postconflict transitions that it needs to apply in integrating country strategies and programs. The Agency is incorporating the lessons it has learned about transitions as it provides information, policy guidance, training, and technical assistance.

- **Crisis and Conflict Prevention**

The State Department and USAID support adoption and implementation of a “crisis prevention prism” to systematically assess and monitor potential sources of conflict, such as indigenous problems, tensions, or vulnerable areas. To date, crisis analysis has been integrated with conflict prevention interventions in only a few instances. Given U.S. interest in other countries and USAID’s goal of longer term sustainable development, crisis analysis and conflict prevention need to be more systematically integrated into country and regional strategic frameworks.

I. INTRODUCTION

USAID strives to remain a premier bilateral development agency, indeed to be the best development agency in the world. Being best doesn't mean being the biggest or most assertive, but rather the most dynamic and productive. It means leading the development community in responding to the most significant challenges, identifying the most worthwhile objectives, operating the most efficiently and effectively, being recognized as a valued partner, achieving success in the majority of activities, and having the greatest possible impact.

As a premier development agency, USAID's influence far exceeds the scale of its development funding. USAID contributes not only to development but also to broader U.S. national and foreign-policy interests. The United States' diplomatic, economic, and military preeminence in the post-Cold War era helps USAID achieve this. By the same token, USAID helps the United States maintain its preeminence by remaining a premier development agency.

Since its founding in 1961, USAID has been a leader and innovator, pioneering research and development in basic education, child survival, conflict prevention, democratization, economic liberalization, the green revolution, population planning, and other development successes. For over 25 years, it has been a leader and innovator among development agencies supporting women in development. The Agency has also led the way in improving management of development assistance. It has reengineered its business processes, promoting results-based management. It is working to create

more effective partnerships, apply new information technologies, and develop new performance-based procurement mechanisms. It is one of the most decentralized, field-based, bottom-up, and least bureaucratic of the major development donors.

To remain a premier development agency into the 21st century, USAID must overcome significant challenges.

USAID must adapt to the changing political and economic context of U.S. foreign policy. A newly emerging global economy and the rise of worldwide environmental and health concerns mark part of that change. Increasingly, there is a need to manage "failed state" transitions, and with this need comes growing importance of work to prevent conflict and promote reconciliation. There is also an increasing demand for assistance in recovery from and mitigation of man-made and natural disasters. At the same time, opportunities to work with nongovernmental entities are expanding, and private organizations are increasing their capacity to contribute to development.

USAID must increase its efficiency, flexibility, and consistency of purpose in the face of shrinking staff and declining budgets.

USAID must respond to increased congressional demands for accountability and impact, as reflected in the Government Performance and Results Act, the Government Management for Results Act, and related legislation.

7

USAID REMAINS A PREMIER BILATERAL DEVELOPMENT AGENCY

**Being best
doesn't mean
being the biggest
or most assertive,
but rather the
most dynamic
and productive.**

USAID must collaborate more effectively with other donors and partners to enhance the effectiveness of combined resources in achieving shared objectives.

USAID addresses these challenges by pursuing two performance objectives:

AGENCY GOAL SEVEN

USAID Remains a Premier Development Agency

Agency Objective 7.1

Enhanced Leadership to Achieve Development Results

Agency Objective 7.2

Enhanced Management Capacity to Achieve Results and Deliver Assistance Resources

Enhanced Leadership to Achieve Development Results

USAID has long provided substantive vision and technical leadership for the development community, playing a central role in identifying emerging problems and crafting effective policies to address them. It has been a leader in mobilizing innovative partnerships at the community, national, and international level. Recently, USAID led efforts to address such challenges as democratization, economic and political transitions, global climate change, infectious diseases, food security, and postconflict reconciliation. USAID pioneered new approaches to measuring performance, learning from experience, and managing for results that have been widely adopted by the development community.

Enhanced Management Capacity to Achieve Results and Deliver Development Assistance Resources

USAID's management reforms are critical to achieving its sustainable development goals. The reforms are designed to make the Agency more responsive, efficient, and effective in delivering development assistance resources. After a senior staff retreat in June 1997, USAID concentrated on reforming its procurement processes for acquisitions and assistance, addressing critical personnel needs and better allocating the Agency's limited work force. USAID also created a new top-level management council to make senior decision-making more effective in controversial or complex matters. In FY97 and FY98 the Agency worked on strengthening program operations (including systems for measuring and reporting results and allocating resources), financial management, and management information systems.

This chapter presents a detailed examination of the activities and accomplishments under the two performance goals. Because the results of USAID's efforts to remain a premier development agency are often more immediate and because more recent data are available, this chapter includes information from FY98 as well as FY97. Trend data illustrating the impact of Agency learning is presented whenever possible.

II. ENHANCED LEADERSHIP TO ACHIEVE DEVELOPMENT RESULTS

USAID's development programs achieve substantial direct results, but its leadership of the development community leverages far more resources. The Agency steers worldwide development assistance along more effective channels by developing and promoting better technologies, crafting more appropriate policies, establishing more harmonious partnerships, and improving performance measurement and evaluation. This not only contributes to USAID's development goals but also supports broader U.S. policies and interests. The Development Assistance Committee of the Organization for Economic Cooperation and Development recognized the Agency's distinctive leadership in a 1998 review of U.S. assistance. The special role of USAID and its senior managers in the Tidewater Conference, (an annual meeting of development donors), the Trans-Atlantic Dialog with the European Union, and the Development Assistance Committee itself are manifestations of this leadership.

Research and Technical Leadership

USAID exercises its technical leadership through the research it supports, the technology it develops, and the technical capacities it maintains. These investments strengthen the Agency's technical capabilities, broaden its strategic vision, enhance its partnerships, and improve its performance. This section examines the significance of USAID investments in research and technical leadership.

USAID funds applied research, technology development, and technology transfer to provide the most up-to-date methods of addressing country, regional, and global problems. This often produces new products or tools that have a direct impact on development. Sometimes it produces breakthroughs—from super-rice to oral rehydration, improved vaccines, microfinance, distance learning, civil society strengthening, to alternative energy—that have had an enormous impact on people's lives throughout the world:

- The Agency demonstrated the impact of vitamin A supplements on child mortality and led an initiative, joined by other donors, to ensure that in five to seven years 80 percent of at-risk children will have sufficient vitamin A intake, with an expected 20 percent reduction in child mortality.
- USAID developed plastic “dots” on vaccination vials to show whether the vaccine has been exposed to heat and therefore inactivated, increasing efficient use of scarce and expensive vaccines.
- USAID improved analytical frameworks for assessing the role of development assistance in post-conflict reconciliation.
- The Agency facilitated FDA approval and rapid field introduction of the “female condom,” which had not yet been commercialized. Introducing it in Zambia and Zimbabwe should significantly reduce unwanted pregnancies and retard the spread of sexually transmitted diseases, including HIV/AIDS. This product

USAID has played a prominent role in promoting the use of information technology in development.

is also sold in the United States, demonstrating the value of USAID's research to domestic issues.

- USAID continues to provide long-standing support for agricultural research and technology, which has been crucial in developing new crops, farming methods, and agribusiness.

In addition, USAID has played a prominent role in promoting the use of information technology in development. With the creation of the Agency's strategic plan in FY97, USAID formally recognized the roles of information and information technologies. The Agency's work on information technology complements several of the objectives of the interagency U.S. Strategic Plan for International Affairs. USAID contributed to that plan's objectives by helping build advanced electronic warning systems to detect famine, enhancing international communications cooperation, and improving and expanding broadcasts and information programs.

In FY97, the Agency began to review its many information and information technology programs and their accomplishments. In FY98, an initial Agencywide inventory of those program activities revealed several development applications:

- The Agency spurred modernization of developing countries by using information technology to link public and private institutions, from local to national levels.

- USAID built institutional capacity for technology-based delivery of services, such as education, finance, and health.
- USAID strengthens nation-building by supporting the free flow of information, to strengthen civil society, for example.
- Agency programs enhance communications and cooperation among development partners and developing countries.
- USAID programs empower individuals and communities to access the knowledge they need for their education, health, and economic and democratic well-being.

USAID contributes to U.S. government-wide information technology efforts in several ways. The Agency, for example, actively promotes the U.S. global information infrastructure and the principles of open and universal access in all its endeavors. USAID's comparative advantage lies in working with developing countries and in supporting telecommunications infrastructure (including policy reform) as well as information technology-related development applications. For example, the Agency's Leland Initiative, begun in FY96, has already substantially improved information technology policy and use in more than a dozen African countries.

In recent years, USAID supported initiatives such as the National Health Information System in Niger, and helped reestablish and expand the database for the new Food Security and Market Information System in Rwanda. The Agency helped set up electronic

accounting in Georgia's central banking system, and installed management information systems in Nicaragua's Central Ministry of Education. In building civil society in Lithuania, USAID strengthened the independent media. These activities illustrate how USAID helps expand the global information infrastructure and broaden its benefits. Other examples of the use of information technology to achieve USAID's objectives are in the goal area chapters.

USAID has long played a role in strengthening the capacity of U.S. institutions to conduct development research. It has also helped create and support international institutions, such as agricultural research centers. In FY97 and FY98, for example, USAID supported numerous university partnerships to strengthen research training and technology development, particularly in agriculture, health, and population. This included support for such major efforts as Historically Black Colleges and Universities, the Collaborative Research Support Programs, and the Child Health Research Program. In FY98, USAID also launched a new university partnership program aimed at strengthening higher education institutions in host countries.

USAID also has a role in synthesizing best practices, disseminating lessons learned, and developing collaborative frameworks for addressing problems. USAID has fostered innovations in information and communications to strengthen research networks, facilitate collaboration, enhance information exchange, and increase the payoff from other research and training investments. In FY97 and FY98, for example, USAID convened an international con-

ference on girls' education, co-sponsored with the InterAmerican Development Bank, The World Bank, the Lewis T. Preston Foundation and UNICEF which utilized the most recent research findings to strengthen private-public partnerships to improve girls' education. USAID-sponsored seminars and research on Asian financial markets, the economics of carbon-based pollution, and the private provision of infrastructure helped guide U.S. responses to the Asian financial crisis.

In FY97 and FY98, the Agency also mobilized innovative research partnerships, including the recent creation of the Human Rights and Peace Center in Uganda (a joint effort of the University of Florida and Makerere University), and a new public-private telecommunications policy dialog, which engages U.S. private industry and federal agencies on regulatory issues impeding free-market investment in telecommunications overseas.

Training is one of USAID's most powerful tools for strengthening technical capacity. Indeed, training is part of the strategy for achieving many strategic objectives in nearly all USAID-assisted countries. The Agency works to ensure that such training is carefully planned, technically sound, efficiently delivered, and continuously improved. During the past two years, USAID made significant headway in improving training management, developing more effective partnerships, and enhancing host country training capabilities:

- In FY97, USAID developed and tested a new, standardized, easy-to-use training management software system (TraiNet) that was distributed worldwide in FY98.

- The Agency promoted the use of upfront stakeholder agreements (1,356 in FY98) that clearly describe intended outcomes, roles, and responsibilities to ensure that training is applied when trainees return to their host countries. Follow-up surveys indicate approximately 80 percent of recent participants applied their training on the job and that nearly all of them did, in fact, return home.
- USAID explored new ways to strengthen training in host countries as an alternative to more expensive U.S.-based training, including more distance training to extend U.S.-developed curricula to host countries electronically.

- The Agency adopted new policies to ensure that persons with disabilities can participate fully in all Agency-supported training opportunities.

Strengthened Partnerships

USAID's ability to achieve results depends largely on the quality of the partnerships it forges and facilitates. From the day-to-day delivery of grass-roots services to intergovernmental collaboration on international mandates, the Agency has as partners a diverse array of institutions. It forms partnerships with other donors to ensure that policies are harmonious, goals consistent, and programs complementary. Partnerships formed with host country governments ensure that USAID's objectives are fully understood and supported, and that the Agency's programs contribute as much as possible to host country goals. It forges partnerships with private voluntary organizations, nongovernmental organizations, educational institutions, and businesses to ensure a commitment to common strategies and tactics. Effective partnerships not only ensure greater consistency of purpose and action but also multiply USAID's own capabilities and resources.

While effective partnerships are essential, they are not always easy, given divergent national and organizational interests. It takes time and effort to negotiate shared commitments to common goals and strategies among sovereign nations. It takes continuing attention to keep them on track. Many PVO, NGO, and private sector partners often perceive USAID as an overbearing bureaucratic overseer, rather than a

Supporting Access for People With Disabilities

In FY97 and FY98, the Agency's Disability Team reached out to several donors, other federal agencies, and the disability community to coordinate programs involving disabled women, disability research, and overall donor activities. Through these exchanges, USAID established itself as a leader in the community. One Mission, for example, initiated three new disability-specific grants. The Global Bureau established a contract to fund participation in the Fifth World Assembly of Disabled People's International, one of six global organizations that serve as consultants to the United Nations on disability issues. Members of the disability team have broken new ground in ensuring that disabled students are eligible to participate in USAID's participant training. The World Institute for Disability, a leading NGO in this sector, recognized the Agency for these accomplishments at an awards ceremony.

teammate. Not all of USAID's partnerships work as well as they should, but the Agency has been working hard to make them more successful.

The Agency identified three partner-centered objectives in its FY99 performance plan:

1. Expand the Organization for Economic Cooperation and Development agenda of agreed-on development priorities.

USAID strongly supported the development of the OECD Development Assistance Committee's 21st Century Strategy, which provides a **common framework among donor agencies** for structuring assistance relationships. This approach has now been endorsed by the OECD at the ministerial level, and by the G-8 heads of state of the leading eight industrialized democracies. USAID's top management has strongly supported it in the Development Assistance Committee (DAC), at the Tidewater Conference of public sector donors, held in June 1998, and in high-level bilateral and multilateral discussions. The DAC and the World Bank are monitoring performance at the country and global level, and the DAC is incorporating individual donor performance in the 21st Century Strategy in its periodic peer reviews.

Strengthening coordination with other donors is essential to achieving U.S. foreign policy objectives in developing countries. Shared priorities and a common commitment to agreed-on results have become necessities, because of diminishing resources, increasing attention to sustainable results, and a broadening set of demands (including increased humanitarian, con-

flict prevention, economic and political transition, and global problems). Donors must seek new ways to share program and policy information, to divide up labor within strategic frameworks, and to enter into results-based partnerships with host countries. Countries, in turn, must be disciplined by clear performance standards that are effectively monitored.

During FY97 and FY98 the Agency took several steps to strengthen donor coordination:

- Establishing mechanisms to advance **public-private partnerships** within the U.S.–Japan Common Agenda, the U.S.–European Union New Transatlantic Agenda, and similar World Bank initiatives.
- Mobilizing increased donor financing and greater policy coherence in **postconflict responses** (particularly in the Philippines and Indonesia), negotiating a donor statement of principles for postconflict rehabilitation, and establishing a donor network on peace-building and postconflict responses.
- Marshaling donor consensus and action around common performance indicators and **development targets** based on the DAC's 21st Century Strategy.
- Supporting implementation of the **DAC 21st Century Strategy** in the field, USAID launched pilot efforts in Latin America and Africa and held a workshop on democracy in Africa. The G-8 Summit strongly endorsed commitment to the goals of that strategy.

- Managing the U.S. government dialog for the triennial **DAC review** of U.S. development assistance programs, which was highly favorable.
- Expanding cooperation with the **European Commission** under the umbrella of the New Transatlantic Agenda, especially in the regions of Europe and the new independent states and Latin America and the Caribbean. In particular, the Agency has fostered cooperation on El Niño, the development aspects of global climate change, and democracy and civil society.
- Working with other donors, particularly the **Inter-American Development Bank**, in responding to critical development issues identified at the Summit of the Americas. These included the Presidential Initiative on Food Safety, initiatives on education and micro-enterprise, and core labor standards to protect workers' rights and improve labor-management relations.
- Supporting the **Sahel Regional Program** and the Permanent Interstate Committee for Drought Control in the Sahel and in the "Club du Sahel" system, one of the most successful host country-donor collaborations in Africa. Created to coordinate food aid and other emergency resources in the Sahel, the interstate committee now does environmental monitoring and early warning. It also conducts research, develops policy and strategy, and does policy analysis and planning.

2. Channel more USAID-managed development assistance through strengthened U.S.-based and local nongovernmental organizations.

While host governments are primary development partners, PVOs and NGOs are often the most effective at implementing development assistance, particularly at the grass-roots level. Vice President Gore made a commitment in 1995 for the United States to program substantially **more development resources through U.S.-based and local nongovernmental organizations**. USAID then determined it would channel 40 percent of its development assistance through such organizations. In FY97, the Agency obligated 34 percent of its development assistance through private voluntary organizations and NGOs, up from 31 percent in FY95.

USAID's New Partnerships Initiative (NPI), also announced by Vice President Gore in 1995, **strengthens intersectoral partnerships** by increasing local groups' capacity to work together to solve community problems. The initiative builds on local efforts to mobilize resources. It aims to facilitate community engagement and build a network of alliances that will sustain development after donors depart. A wide array of nongovernmental groups and business and government representatives were involved in developing the NPI Resource Guide, which was completed in January 1997, following an intensive pilot effort in 15 countries in 1996. The guide articulates a strategic approach to local intersectoral partnerships and provides a set of programming tools.

USAID **strengthens partnerships with U.S. PVOs** and helps them enhance their effectiveness through competitive grant programs. Reflecting the Agency's management reforms, grant selection criteria have recently been revised. They now place a heavier emphasis on improving PVOs' management and technical capacity and upgrading monitoring and management systems. The criteria also encourage more partnerships with local NGOs, local governments, USAID Missions, and other PVOs. Finally, they enhance sustainability by diversifying PVO funding and resource bases. This emphasis on partnership and results is paying off:

- By FY97, about half the USAID-supported PVO programs had community financing or cost recovery mechanisms to continue service delivery beyond USAID funding.
- During FY97 and FY98 USAID collaborated with PVOs in host countries to develop and implement a new self-assessment instrument, called DOSA, to assess PVO organizational strengths and weaknesses in six areas. Demand for this instrument has skyrocketed. Numerous organizations (including Ben Gurion University, CARE, the Johnson Foundation, and the UN Development Program) have adapted it for use by their partners. The number of monthly visitors to the DOSA Web site rose from 90 in June 1997 to 1,039 in March 1998.
- In 1996, only about half of USAID-funded PVO agreements included a local partner. By 1998, 75 percent had them. In 1996, only 55 percent of PVO agreements transferred funds to local organizations; in 1998, 64 percent included such transfers.

Partnership in Action

During the last 18 months, USAID has used the New Partnerships Initiative (NPI) approach to strengthen its ability to forge and maintain partnerships with a variety of development practitioners and nongovernmental groups. The Agency has held public seminars and workshops, launched a New Partnerships website (which receives more than 1,000 "hits" per month), and included the initiative in R4 guidance and the Agency Strategic Plan. USAID/Guinea, for example, reported that "in conjunction with the NPI approach, grass-roots civil society activities have produced results beyond our expectations, startling skeptics . . . the benefits already attained in areas such as school enrollment, improved maternal child health care, [control of] sexually transmitted infections and AIDS prevention and care, and environmental safeguards can be increased geometrically with the slightest encouragement of civil society participation, particularly as the government of Guinea is actively encouraging such activity."

- With USAID encouragement, PVO memberships in formal networks and associations increased by 21 percent in FY97.

U.S. institutions of higher education—community colleges, land grant universities, minority institutions, and private and public universities—are a national resource. They are experienced in international development and offer a wealth of technical expertise to overseas counterparts. USAID seeks to **strengthen U.S. institutions of higher education** to enable them to be more effective partners with educational institutions abroad and to improve their effectiveness in responding to indigenous needs.

During FY97 and FY98 USAID took several steps to strengthen its higher education partnerships. It held **policy roundtables** to examine innovative

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practices, such as consortia of higher education, business, and government. It created a **searchable database** of international expertise on U.S. campuses. It initiated **outreach and dialog** with the U.S. higher education community, including numerous meetings of higher education representatives and senior USAID officials. The Agency also **fostered linkages** with minority institutions (Historically Black Colleges and Universities, Hispanic Serving Institutions, and Tribal Colleges) and community colleges.

One of USAID's more innovative approaches to partnership has been **Lessons Without Borders**, begun in 1994.

Under this program, USAID teams up with local, state, and private organizations to apply the tools and techniques of development to solving U.S. problems. The program hosted two conferences during 1997–98, one on rural enterprise in Knoxville, Tennessee, and one on international women's business in Chicago, Illinois.

USAID is an active participant in the President's Inter-Agency Council on Women, which was established by President Clinton following the 1995 UN Fourth World Conference on Women in Beijing. The council is intended to implement the platform agreed to at that conference. It is chaired by Secretary Albright, and includes representatives of all major government agencies, including USAID participation at the Assistant Administrator level.

3. Increased coordination among U.S. government agencies contributing to sustainable development.

USAID's Strategic Plan is linked to the Strategic Plan for International Affairs, and supports its objectives. USAID also coordinates its policies, plans, and initiatives with federal agencies, as appropriate. USAID's Disability Policy Paper and Action Plan, for example, was shared with the Department of Education, the Department of State, the National Institutes of Health, the United Nations, the World Bank, and many disability groups. The Agency is now considered the front-runner on the international dimensions of disability.

USAID drafted its Higher Education Policy and Action Plan in close consultation with higher education partners and with extensive collaboration from the Departments of Agriculture, Commerce, Education, and Labor, and the U.S. Information Agency, the National Institute of Health (NIH), the Smithsonian, and others. The Agency shaped its initiative to combat infectious diseases in consultation with the Centers for Disease Control and Prevention, the Departments of State and Defense, the National Oceanic and Atmospheric Administration, NIH, the White House, and other agencies.

USAID also provides leadership for the president's interagency Initiative on the Greater Horn of Africa, which has forged a partnership among the Horn's 10 member states and principal donors to improve food security and work collaboratively on conflict prevention, mitigation, and resolution.

Improved Policies

Successful development assistance requires policies with certain ingredients. They must be clear and consistent, they must be at the cutting edge of development theory, and they must reflect the experience, learning, and best practices from the field. In addition, they must express the interests and priorities of the U.S. government and mirror the values of the American people. Policies that meet these criteria clarify USAID priorities and inform strategic decision-making. They help the Agency develop more appropriate programs, identify more effective strategies and tactics, and work more harmoniously internally and with partners.

Previous chapters address the principal findings and implications of policies developed or reviewed in FY97. The rolling agenda of policy studies planned for FY99 and FY2000 (including a Nonpresence Policy and a Food Security Policy Statement) is described in USAID's Annual Performance Plan. This section looks at USAID's broader policy development process.

- **Policy Development**

USAID's strategic plan and annual performance plan are the framework for reviewing strategies and developing policies to achieve the Agency's performance goals. Policy analysis synthesizes evaluation, implementation, research, and other data to clarify issues, opportunities, strategies, and alternatives for development programs. Policy studies involve analysis and research as well as dialog within and outside the Agency, participation in the country

strategy reviews and "R4s"—the annual country performance report submitted to Washington—informal consultations, workshops, and policy roundtables. In FY98 these analyses culminated in a formal review of policies and strategies for each of the Agency's seven goal areas and cross-cutting issues, which are expected to be repeated annually.

In FY97 and FY98, the Agency developed policies for basic education, disability, and higher education community partnerships. It also refined policy guidance on endowments, micro-enterprise, and nonproject assistance and developed an infectious disease strategy. Policy guidance captures the results of evaluations, such as those on girls' and women's education and on capital lending, and also provides guidance for new efforts, such as the infectious disease strategy and global climate change action plan. Policy guidance can facilitate innovative programming, particularly in areas that cut across more than one USAID goal. The Greater Horn of Africa Initiative action plan, for example, is the framework for integrated strategic planning for crisis prevention and food security.

Research investments often contribute to better development policies. In collaboration with the Pan American Health Organization, UNICEF, and the World Health Organization, for example, USAID pioneered an integrated management of childhood illness strategy based on biomedical and behavioral research largely funded by USAID. Building on other research, USAID is working with partners on a new infectious disease initiative aimed at reducing drug resistance.

• **Policy Coordination**

Strong coordination of strategic planning and policy development outside USAID is critical to its remaining a premier development agency. The Agency participates in interagency policy groups such as the National Science and Technology Council committees. This helps ensure that USAID's development perspective is considered. The Agency also coordinates with the European Union and other donors on almost all issues, including crisis prevention. It collaborates with the U.S. Department of Agriculture and other donors on food security and implementing the World Food Summit action plan. It participates in the United States–European Union Task Force on Emerging and Reemerging Infectious Diseases. In addition, it provides leadership for the DAC working groups on global climate change and on trade.

• **Goal Reviews**

In FY98, the Bureau for Policy and Program Coordination conducted the Agency's first comprehensive policy reviews for the seven Agency goal areas, which identified ongoing issues to be incorporated in the Agency's evaluation and policy agendas. USAID plans to continue these reviews in FY99 and FY2000, linking them more closely to the Agency's broader programming processes and the analysis for the annual performance report.

Some new approaches cut across several Agency goals:

- *Food Security–Millennium Initiative.* Food security is central to

USAID's integrated, sustainable development program, and agricultural research is one of the most effective and sustainable investments. USAID intends to continue to support these efforts and to expand agricultural research partnerships and technology transfers.

- *Infectious disease strategy.* In FY98 USAID approved an infectious disease strategy that concentrates USAID's efforts in four areas: containing antimicrobial resistance, reducing the incidence of tuberculosis, reducing deaths caused by malaria, and improving a country's surveillance capacity. Two are cross-cutting, because they address multiple diseases and multiple sectors. For example, the antimicrobial resistance component of the strategy includes analyses of the importance of a spectrum of factors that contribute to the emergence and spread of resistance. They include economic and commercial factors, therapeutic factors, nonhuman use factors (veterinary and agriculture practices), and behavioral factors.
- *Gender.* USAID strives to ensure an awareness of gender issues in every aspect of its business. In 1996, the Administrator issued an "Agency's Gender Plan of Action," which provides a mandated set of steps to ensure that all Agency planning and programming incorporate measures to address gender concerns, and that there are mechanisms in place to measure progress toward these goals. The Agency Strategic Plan, issued in September 1997, paid greater attention to gender issues, as stated in the preamble: "USAID is

committed to full participation by women and disadvantaged groups in all sustainable development activities. . . .” Other accomplishments include: 1) establishing a senior gender advisory role in the Policy and Program Coordination Bureau to ensure full consideration of gender in Agency policies, strategic planning and annual performance reporting; 2) including women in development issues in USAID’s new employee training course; 3) issuing guidance for new grants and cooperative agreements mandating attention to gender concerns; and 4) establishing a Fellows’ program to build a technical cadre with skills required to successfully integrate gender concerns in all aspects of planning, implementing, reporting and evaluation.

Specialists in the Office of Women in Development, as well as in the Agency’s regional and central bureaus, provide sector-specific technical assistance to field Missions and participate in reviews of all operating units’ strategic plans and performance reports. This helps ensure that gender issues are appropriately addressed and that sex disaggregated indicators are used, where feasible, to measure programs for both women and men. This report provides examples of how key gender issues and performance results are used in each of the individual goal area chapters. One of the highlights of this is the section in the Human Capacity Development chapter reporting the findings of a major Agency evaluation on girls’ education.

More Effective Performance Measurement and Evaluation

To remain at the forefront of development theory and practice, USAID must be results-oriented, learn from experience, and continuously improve its programs. Since 1995, USAID has implemented profound management changes aimed at enhancing the Agency’s ability to achieve results and create a learning culture. This effort has built on USAID’s best practices in Agencywide performance measurement and evaluation to better link results to all levels of organizational decision-making.

Progress in improving measurement of performance and managing for results has not always been smooth. USAID, like other U.S. government agencies, has struggled to develop useful and meaningful performance goals and indicators consistent with the Government Performance Results Act. Some objectives and indicators, both at the Agency and operational level, are still too distantly related to USAID’s actions. Some requirements for strategic planning and performance measurement are overly elaborate and bureaucratic. The Agency is, however, listening, learning, changing, and making progress.

- **Improving the Quality of Performance Data**

Effective performance monitoring is at the heart of the Government Performance and Results Act, and is the foundation for managing for results.

During FY97 and FY98, USAID strengthened performance measurement in several ways:

- Expanding **technical assistance** to help operating units sharpen their strategic planning and strengthen their performance indicators.
- Completing **systematic reviews** of operating unit strategies and R4s that assessed performance for every

strategic objective in every operating unit. These reviews identified appropriate remedial actions where programs were failing to achieve expected results, and the results were used to help make program and budget decisions.

- Developing formal **Performance Monitoring and Evaluation Guidance** that are aimed at strengthening operating units' capabilities to monitor and evaluate performance by wholesaling best practices, refining standards, and clarifying policies, known as the TIPS series. During FY97 and FY98, TIPS were published covering *Quality Standards for Performance Measurement*, *The Role of Evaluation in USAID*, and *Establishing Performance Targets*.
- Disseminating **Performance Measurement and Evaluation Guidance** in Agencywide cables, such as the Agency's March 1998 message on common indicators.
- Advancing the **state of the art** of performance measurement, particularly in newer goal areas such as democracy and the environment, through indicators working groups, workshops, and seminars.
- Developing and disseminating **indicators handbooks** in democracy and governance, the environment, and population and health.
- Developing a **formal training** program, "Reaching 4 Results," and field-testing it in FY98. Agencywide implementation is scheduled for FY99.

USAID's Leadership in Performance Measurement

USAID has long been a leader in managing for results. Beginning with the Agency's bottom-up strategic planning and performance monitoring efforts in the early 1990s, USAID has worked energetically and effectively to infuse a results orientation in program and budget decision-making. This encompasses development of USAID's strategies for sustainable development (1993), the Agency Strategic Framework (1994), reengineered operations policies and procedures (1995), Results Reports and Resource Requests, or R4s (1996), the Agency Strategic Plan (1997), the Agency's Annual Performance Plan (1997), and annual Agency Performance Reports (since 1993). USAID's programs are more transparent, credible, and effective as a result.

This success has not gone unnoticed. Results-based management is now the goal of nearly every development agency and donor. USAID staff have made presentations and participate in countless workshops sponsored by the DAC, the UN Development Program, the World Bank, and others aimed at sharing approaches. The recent triennial DAC review of U.S. development assistance highlighted USAID's progress and leadership in managing for results. Similarly, recognition has come from the Government Accounting Office, the Office of Management and Budget (for example, in USAID's most recent budget passback), and the National Academy of Public Administration, which asked USAID to host its first interagency workshop on performance measurement in February 1999.

Largely because of these efforts, the coverage and quality of USAID's performance monitoring improved dramatically in FY97. Relatively complete performance information (indicators, baseline, and actuals) was only available for 39 percent of USAID's operational level strategic objectives in FY97. By FY98, however, such data were available for 64 percent of strategic objectives. Since new programs cannot usually expect results data for the first two years, USAID's target is to have data for 80 percent of strategic objectives.

- **Improving Efficiency**

USAID recognizes that performance monitoring can become overly bureaucratic, costly, and elaborate. During FY98, several overseas missions expressed concern that they were spending too much time collecting too much data on too many indicators, for too little purpose. Partners in the PVO and NGO community expressed similar concerns that too much performance monitoring can undercut USAID's ability to achieve results.

USAID takes these concerns seriously. Policy guidance developed in FY98 clarifies that while good performance information is essential, more performance monitoring is not necessarily better. Indicators need to be few and well chosen. Their primary purpose is to signal whether programs are on or off track, not to replace research, evaluation, or management judgment.

The Inspector General, and to a lesser extent the Office of Management and Budget (OMB), the General Accounting Office (GAO), and congressional stakeholders, have emphasized the need to

continuously improve the quality and consistency of USAID's operational-level performance indicators. Improvement is needed to ensure that indicators provide valid and reliable measures of results, better track direct outcomes of initiatives, and improve USAID's ability to link operational results to its goals and objectives. To address these concerns, the Agency is rethinking features of its managing for results system to simplify reporting requirements and improve the use of performance information in decision-making.

- **Agency Evaluations**

USAID emphasizes evaluation as a basis for understanding performance monitoring data, reaching judgments about what works and what doesn't, and taking action. Evaluation underlies decision-making at the operational and Agency level. Under USAID's new operations policies, every staff member is responsible for managing for results; for developing clear objectives and strategies; for selecting appropriate performance indicators and data; and for gaining a thorough understanding, based on evaluations, of why performance is good or bad. However, although new operations policies strengthened managers' evaluation responsibility, they also made requirements for formal evaluations far more flexible.

During the past several years, the number of **operational level evaluations** received in Washington dropped substantially, from 489 in 1994 to 270 in 1996 and 183 in 1997. This decrease was, in part, intentional. Many past evaluations were conducted simply to meet bureaucratic requirements and had little impact. When USAID developed the new R4 system of management and

For the past 20 years, USAID has led the donor community in assembling its institutional memory and disseminating information on development experience throughout the Agency and beyond.

reporting, it encouraged Missions to institutionalize much of the analytic thinking formerly done in evaluations. The Agency does not yet know whether the falloff in formal evaluations is counterbalanced by analytic work at a less formal level. However, management shares concerns expressed by the Inspector General, GAO, and OMB about the status and quality of evaluations in the field. To address these concerns, USAID began an intensive assessment of the status of operational evaluations during FY99 that will provide the basis for additional policy, guidance, or training in FY2000.

Each year, USAID updates an **agenda of Agencywide evaluation studies** conducted by the Center for Development Information and Evaluation. These central evaluations address performance issues that cut across Agency goal areas, are highly visible, or are controversial. They also cover areas where there are substantial internal differences of opinion or where the Agency wants an independent and disinterested assessment. The findings and lessons learned from these evaluations are disseminated widely to USAID staff, partners, and the broader development community, and are often translated directly into new policies and practices.

In FY97 and FY98, USAID's central evaluations included *Democratic Local Governance* (Bolivia, Honduras, Mali, the Philippines, Ukraine), *Food Aid* (Bangladesh, Ethiopia, Honduras, Indonesia, Sahel), *Postconflict Electoral Assistance* (Angola, Cambodia, El Salvador, Ethiopia, Mozambique, Nicaragua), *Girls' Education* (Egypt, Guatemala, Guinea, Malawi, Nepal,

Pakistan); *Capital Markets* (India, Kenya, Morocco, the Philippines, Romania) *Graduation Strategies*, *Reengineering Stocktaking*, and the *Enterprise Funds Special Study*. Ongoing evaluations and studies initiated in FY98 cover democracy and cross-sectoral linkages, emergency assistance, durable partnerships, and the state of the art of Agency evaluations.

A number of these evaluations—such as the assessment of girls' education, the reengineering stocktaking, and the enterprise fund special study—have already changed Agency policy and practice. The principal findings and lessons learned from these evaluations are reflected in the substantive chapters of this report and are summarized in Annex B.

- **New Performance Information Databases**

In FY97 and FY98, USAID assembled a new **Performance Monitoring and Analysis database** of operational level results from R4s to support analysis for the Agency's Annual Performance Report. Increasingly, USAID uses this database for supplementary analyses to inform program and budget decision-making. The Agency used the database for the following tasks in FY98:

- Analyze the distribution of operational level results in relation to the goals and objectives of the Agency strategic plan.
- Measure operating unit capacity to report on performance, and to identify units, geographical regions, goal areas, and Agency objectives still having difficulties putting performance monitoring plans in place.

- Compare results of different processes for assessing performance in order to improve the efficiency of the annual review process.
- Help operating units prepare strategic plans and results frameworks by providing data on existing indicators.
- Investigate how cross-cutting development tools, such as information and communication technology, support achievement of the Agency strategic plan.
- Begin tracking quality of performance measurement data, the source of indicator data, and the time period of data—issues of concern to the Inspector General.

In FY98, USAID also created a database of **country development trends** to analyze its progress toward Agency goals and provide a framework for assessing development need and potential.

- **Improving Access to Development Information**

Lessons from policy analysis and evaluation must be widely available and easily accessible if they are to be applied. For the past 20 years, USAID has led the donor community in assembling its institutional memory and disseminating information on development experience throughout the Agency and beyond. This includes extensive evaluation publications and tailored responses to 40,000 user information requests each year. More recently, USAID expanded access to this information through electronic dissemination and a widely acclaimed website.

USAID Public Internet Address

<http://www.info.usaid.gov>

Development Experience Clearinghouse

<http://www.dec.org>

In FY97 USAID reorganized the management of information to better serve the U.S. public. A request for information could arrive at any point in the USAID system and would have to be referred to the correct office, then to the knowledgeable officer for a response. Beginning in 1997, the public information section of the Legislative and Public Affairs Office, the Center for Development Information and Evaluation library, and the Global Office of Business Development combined their public information resources and activities in the **Information Center**. The center provides library services, on-line research, e-mail, postal services, and walk-in communication. It gets the right information from the right source to the customer quickly. In 1997, a website was one of the first services offered. Customer requests, or hits, have increased from 16,000 per month in 1997 to 67,500 per month in 1998. The combined information services give U.S. taxpayers better information faster, on demand. Development professionals get the same benefits and can now spend more time on development and less on responding to requests for information.

III. ENHANCED MANAGEMENT CAPACITY TO ACHIEVE RESULTS AND DELIVER DEVELOPMENT ASSISTANCE RESOURCES

Even with strong substantive leadership—with the best policies, technologies, partners, and performance information—USAID cannot remain a premier development agency unless it

excels in delivering development assistance. To achieve the best development results, USAID must manage its financial resources, grant and contract services, human resources, information resources, and program operations as efficiently and effectively as possible.

Greater Development Effectiveness Through Flexible Results-Oriented Programming

USAID/Bolivia helped create Prosalud, a nongovernmental organization that delivers community-based health services in two large municipalities. When the government began decentralizing and putting local governments in charge of local health programs, the demand for Prosalud services increased dramatically. Before USAID reengineered, it would have taken more than a year to get approval for a project amendment enabling Prosalud to expand to additional municipalities. Under the new system, a strategic objective team of USAID staff and partners was empowered to shift resources and redesign its support for Prosalud. USAID immediately began to help Prosalud meet this larger opportunity.

Development work often requires learning from mistakes. USAID/Madagascar hypothesized that economic opportunities for people living on the periphery of a protected nature reserve would encourage them to use natural resources rationally and not destroy them. However, results showed continued pressure on the protected resources. USAID learned that it had failed to consider internal migration. By creating economic opportunities, it had inadvertently created “growth poles” that attracted new immigrants to the edge of the parks. The Agency decided to reorient the program by creating economic opportunities for people in areas farther away—areas from which people tended to migrate to the parks. Under the Agency’s old project approval process, these changes would have required lengthy consideration in Washington. Because the Mission’s strategic objective teams were empowered to decide how best to achieve the objective, USAID was able quickly to reorient its work to protect the biodiversity of Madagascar.

More Effective Program Operations

In late 1993, USAID began to reengineer its operating system—the processes involved in planning, approving, and carrying out work and monitoring and evaluating the results, as well as supporting management and information systems. The new operating system, detailed in three chapters of streamlined directives (the Automated Directives System), has been official Agency procedure since October 1995.

The new system is predicated on core values Agency staff identified as critical to success: 1) programs should be oriented toward **results**, rather than narrowly defined inputs and outputs; 2) perspectives of USAID’s end-users, **customers**, should inform how activities are designed, carried out, and evaluated to ensure that intended results are valued and sustained; 3) **teamwork** among USAID staff and partners will prevent the delays and reversals typical of bureaucratic, sequential decision-making; 4) teams should be delegated authority (**empowerment**) so they can achieve the results for which they are accountable; and 5) valuing **diversity**.

In early 1998, USAID conducted a stocktaking to assess staff and partner perceptions of how well the Agency has reoriented its operations toward these values and how the reforms have affected program operations. Performance information and the perspectives of customers and partners are incorporated regularly into Agency decision-making, the assessment found. However, while most respondents (87 percent of staff and a large majority of partners) said the increased emphasis on results had improved Agency work, most also identified serious unintended consequences. These include excessive time burdens on staff and partners, and overly quantitative and short-term indicators that did not adequately capture significant development results, such as increased institutional capacity. As a result, USAID adopted measures to streamline performance reporting in late 1998.

The stocktaking also revealed a need for more visible leadership of the reform process, and for greater clarity in the new procedures. Staff and partners faulted conflicting or inadequate guidance that sometimes caused duplication of effort. Some called for better Agency monitoring.

As a result, since April 1998 the Management Bureau and the Policy and Program Coordination Bureau have worked together on an Operations Governance Team to resolve uncertainties in operational policies and procedures. By mid-1998, the team had made the Agency's directive system more accessible to staff and partners. It also ensured that interrelated problems in performance management were being addressed. The team assembled other teams to prepare guidance on issues

ranging from how to engage partner participation to establishing minimum requirements for obligating funds.

Human Resources Management

To manage its programs for results, USAID must have the right people with the right training and skills, in the right places, at the right time. Over the past decade, however, USAID's human resource capacity has been severely constrained by cuts in staff and in the Agency's operating budget. The steady decline in the number of seasoned foreign service officers is a primary concern. The foreign service staffing level, for example, declined by 4.5 percent during FY97 and again in FY98. The total number of U.S. direct-hire staff, including civil service employees, also declined by 3 percent in each of those years. Continued staff reductions, coupled with limited hiring, are eroding the Agency's capacity to operate effectively.

To address these staffing concerns, the Agency Administrator convened a task force to recommend a process for workforce planning, decision-making, and management. The task force completed its work in FY98 and made recommendations on the composition of staff needed to fill critical positions and maintain vital overseas staff.

As a result, USAID established a management council of the Agency's most senior executives, charged with making corporate decisions on workforce requirements. The council commissioned internal studies to determine the appropriate size of Washington head-quarters staff, technical staff requirements, and deployment of staff overseas.

Despite an unplanned reduction in the training budget, USAID developed new and innovative training courses on management, operations, procurement, and technical skills development and trained 4,833 staff worldwide.

In addition, the Agency developed a framework for a new Leadership and Program Operations course, consisting of five skills-based modules. Initial pilots are scheduled to be implemented in February 1999. USAID conducted workshops in FY98 to train USAID staff on strategic planning, activity implementation, performance monitoring and evaluation, and acquisitions and assistance planning and administration. Agency staff served as facilitators and provided practical applications in each area. Other employee training included orientations for new Mission directors and employees, ethics and overseas security seminars, computer and technical skills classes, and the Procurement Management Certification Program.

Acquisition and Assistance

With efficient and effective acquisition and assistance, USAID can work with the best contractors and grantees at the lowest cost. During the past several years, the Agency has concentrated on improving the acquisition and assistance process by enhancing internal and external communication with employees and partners and testing innovative contracting techniques. The Agency's website was expanded during FY98 to provide more procurement-related information, both internally and externally. The website includes information on grants and cooperative agreements, and is maintained with ongoing input from the recipient community and

Agency contracting and technical personnel. To ensure an open dialog on the contract/grant process, the Agency held regular meetings and training sessions with organizations of contractors and grant recipients to exchange information and address issues of concern.

Feedback from the recent reengineering stocktaking, however, indicates that both USAID staff and partners still view acquisition and assistance processes as overly bureaucratic and time-consuming. In recognition of these concerns, an FY98 Agency task force recommended expanding technical training and streamlining acquisition and assistance processes to make them easily understandable and consistently applied. The task force recommendations led to creation of an acquisition and assistance advisory panel, chaired by the Agency Procurement Executive, which establishes a process for Agency-wide participation in procurement policymaking.

USAID held several seminars on contract and grants management for both contracting and program staff. A desk-top guide for nonprocurement personnel is being developed to supplement learning from seminars and formal courses. The Agency also awarded contracts during the fiscal year for training technical personnel who serve as cognizant technical officers for acquisition and assistance instruments.

USAID tested several new initiatives to expedite the process during FY98. These include, for example, "fast track" competitive procedures for certain indefinite quantity contracts. The contractor is selected primarily based on past performance and price: a full-blown technical proposal is not

required. The Agency is trying a leader-associate grant arrangement, in which USAID/Washington and field Missions award a series of contracts from one competition. The Agency is designing two other pilot programs—a multiyear approval of contractors' subcontracting plans, and a contractor purchasing system review to replace approval of individual subcontracts.

Information Resources Management

While information is the lifeblood of any enterprise, USAID's results orientation and commitment to teamwork and partnership make easy availability of information crucial. In the mid-1990s, USAID began developing an ambitious corporate information system, called the New Management System, to meet these needs. By 1996 and 1997, it had become increasingly clear that the system, as initially designed, would not perform as planned. In FY97 and FY98, the Agency moved aggressively to implement needed improvements in information planning and management capabilities to get the Agency's information systems back on track.

- **Capital Planning, Implementation, and Monitoring**

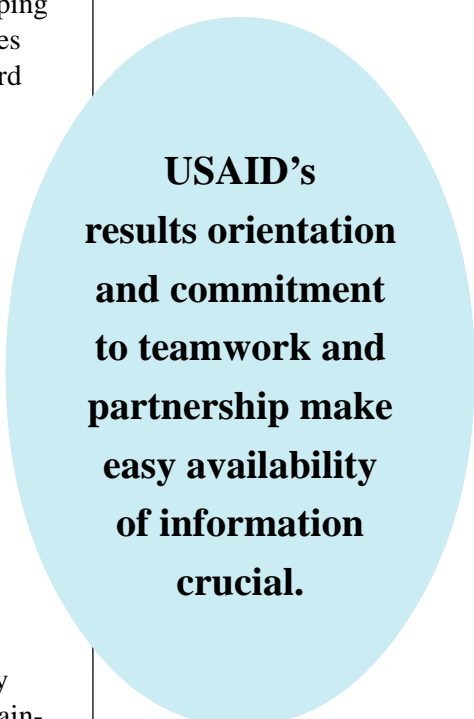
During FY98, the Agency began implementing a new information technology management strategy to improve compliance with 1) the Clinger-Cohen Act, which governs spending for information technology; 2) the Government Performance and Results Act; and 3) Raines's Rules, which cover Agency

investments in information technology. The new approach identifies and incorporates industrywide best practices and lessons learned to improve management discipline and program performance.

The Agency created the Capital Investment Review Board, chaired by the chief information officer, to manage its information technology portfolio. The board implemented a process for selecting technology and is developing monitoring and evaluation processes and corresponding policy. The board reviewed and approved selection of Year 2000 (Y2K) compliant office suite software and personal computers for Agency-wide use.

The Agency strengthened information management by adopting a well-known, disciplined methodology for software acquisition, the Capability Maturity Model. USAID developed a four-year implementation plan to build capacity in this area and move from level 1 (undisciplined acquisition standards and procedures) to level 3 (significantly more discipline and efficiency). Training is an integral part of that plan, and the Agency completed the first phase of instruction in FY98.

In May 1998, the General Services Administration awarded a contract to provide the Agency with specialized management advice, expertise, and support. Work performed under this contract will use performance-based contracting to the maximum extent possible.



USAID's results orientation and commitment to teamwork and partnership make easy availability of information crucial.

In 1998, USAID finished relocating headquarters staff from 11 locations to the Ronald Reagan Building, which facilitates communication among USAID employees and improves productivity.

- **New Management System**

The New Management System (NMS) was intended to integrate the Agency's business operations and improve USAID's ability to capture, manage, and report on strategic goals and objectives. Because of constrained resources, in FY98 a newly appointed management team began to utilize emerging technology and to prioritize requirements. The team changed the Agency's approach. Instead of managing software development directly, it moved to managing software acquisition. The team took steps to discipline the overall management of information technology and specifically the NMS.

The Agency chartered an NMS executive team to establish performance measures for USAID programs and to measure performance against schedule and cost objectives, program and functional requirements, and time and quality goals.

The team developed a corporate approach to ranking requirements—ranking them within the confines of time, budget, and human resources, judging risks from an Agencywide perspective.

In support of this effort, contractors under the oversight of the Government Services Agency conducted an independent review of NMS. They recommended alternatives to repair and replace NMS modules that were not functioning as well as planned. The review prompted a change from a fully tailored management information system like the NMS to consideration of alternatives that have recently become available in commercial off-the-shelf packages.

The new contract for information technology support and expertise consolidates technical management of the NMS and other information technology programs. The contractor introduced a disciplined, comprehensive approach to the acquisition, integration, life-cycle management, and operation of USAID's information technology resources. This management approach provides accurate information on progress in maintaining and improving the NMS.

- **Year 2000 Conversion**

Until FY97, USAID expected that the NMS would address many of the Agency's Y2K requirements. With the failure of the NMS to perform as planned, USAID had to address a wider range of Y2K issues. During FY98, the Agency placed a high priority on preparing for Y2K, consolidating Y2K program management under the new information technology administration contract and receiving a full range of Y2K services. USAID moved responsibility for Y2K program management into a line position reporting directly to the chief information officer.

The Y2K conversion is multifaceted and affects administrative and program operations in the United States and in the overseas Missions, with customers, partners, and stakeholders. Among the 1998 highlights:

- USAID completed a benefit–cost analysis of proposals for making desktop computer resources Y2K compliant. The capital investment review board determined the most cost-effective, best-value options. USAID completed blanket purchase agreements to facilitate Agency-wide acquisition of Y2K personal

computers and desktop software. The Agency is now ready to implement that in offices worldwide.

- USAID completed an Agencywide survey of its noninformation systems assets, such as elevators and heating/air-conditioning systems. The survey revealed USAID facilities contain relatively few devices vulnerable to Y2K problems. Where there are potential problems, the Agency is addressing available alternatives directly with the supplier of the device.
- USAID Missions have completed more than 80 percent of necessary telecommunications routing equipment upgrades; USAID/Washington has completed more than 90 percent. The Agency's Y2K program coordinators are developing contingency plans for alternative communications and operations in the event of a local power source failure.

The Agency has completed the first two of four steps needed to address Y2K technology problems: assessment and inventory of modification needs and prioritization of critical systems. The third step, making modifications, is in progress, and testing is planned once the updates are completed.

Financial Management

Strong financial management is essential in linking resources to results. During FY98, USAID continued to address deficiencies in financial management operations and systems. The Agency's financial accounting system, the Worldwide Accounting and Control System, was evaluated in the independent review of the NMS. The review confirmed that

significant improvements are needed and recommended alternatives to meet financial management needs.

The Agency chose a three-pronged strategy to improve the efficiency and effectiveness of financial accountability and reporting. It is purchasing an off-the-shelf core accounting system, using services from other government agencies, and contracting out some functions to the private sector. The Agency completed a business process improvement analysis during FY98 that will help define requirements for a new accounting system. USAID expects to implement the new system in USAID/Washington in FY2000 and in the Missions in FY2001. In the interim, the Agency is working closely with the Office of the Inspector General to improve financial management and produce better financial statements.

In FY98, the Agency signed an agreement with Riggs National Bank to handle loans management. USAID also formally agreed to a cross-servicing arrangement, whereby the Department of Health and Human Services handles some processing functions for certain grants. Both of these operations are lower cost options than in-house processing and should be fully functional within a year.

Administrative Services

In 1998, USAID finished relocating headquarters staff from 11 locations to the Ronald Reagan Building. The consolidation facilitates communication among USAID employees and improves productivity by eliminating the need to transport employees between buildings.

During 1998, USAID led and contributed to a number of important activities that have placed people with disabilities more prominently on the U.S. foreign

affairs agenda. The Agency spokesperson for disabilities aggressively promoted inclusion of people with disabilities in USAID activities.

IV. CONCLUSION

USAID is a complex organization operating in a complex and uncertain world. Throughout its life, the Agency has been a leader in the development community. Many of the most successful development initiatives start with USAID and spread to the work other donors are doing. The question is whether USAID can maintain its leadership given reductions in staff and funding and the new challenges it faces.

USAID is more than the sum of its parts. Its Missions, central and regional bureaus, and the Global Centers of Excellence work together to produce results. USAID collaborates successfully with other parts of the U.S. government, with other multilateral and bilateral donors, and with the U.S. private sector (be it businesses, universities, or voluntary organizations), mobilizing broad coalitions to accomplish U.S. foreign policy goals.

This is not to deny the challenges that are ahead. Contracting, financial management, information systems, performance measurement, and personnel have all presented difficulties in the past, some of which are not yet completely resolved. Perhaps the most remarkable thing is that USAID is addressing these challenges while it continues to “do” development successfully around the world.

This report is intended to demonstrate USAID’s triumphs and accomplishments, along with its difficulties and setbacks. Overall, the Agency believes it provides a record of motivated, skilled individuals working in difficult circumstances—both in Washington and abroad—to make the world a better place for people. That is the essence of what it takes to be a premier development agency.

Chapter 1. ECONOMIC GROWTH AND AGRICULTURAL DEVELOPMENT

- ¹ Development Assistance Committee, “Shaping the 21st Century: The Contribution of Development Cooperation.”
- ² See for example *Perspectives on Aid and Development*, Policy Essay #22, Overseas Development Council, edited by Catherine Gwin and Joan Nelson.
- ³ PPC background work for Administrator Brian Atwood’s Speech to the Council on Foreign Relations, “Development in a Dangerous World,” September 10, 1998.
- ⁴ U.S. Department of Commerce.
- ⁵ A complete and systematic accounting of progress, with detail on methodology and comparisons to targets established in FY99, is in the FY2000 annual performance plan.
- ⁶ IMF Survey, Volume 27, Number 12, June 22, 1998, “Africa is a ‘Continent on the Move,’ Says IMF Managing Director”; excerpts from a speech by Michel Camdessus; and USAID/Africa Results Review and Resource Request, FY97 Wrap-up session, Economic Growth Sector, June 17, 1998, Richard Green, Rita Aggarwal, Ellen Lue.
- ⁷ Countries are designated here as low-income, in conformance with the DAC “List of Low-Income Developing Countries” published in various editions of the DAC’s *Annual Report on Development Cooperation*.
- ⁸ There is considerable fluctuation in the list of low-income countries in the ENI region, as estimates of per capita income are subject to large adjustments from year to year.
- ⁹ World Bank, *World Development Indicators*, 1998.
- ¹⁰ While the required growth rates are for per capita consumption, growth in per capita income is a reasonable proxy measure.
- ¹¹ They did not rate 17 programs.
- ¹² Not all 1997 SOs were assessed and ranked by the bureaus in the BBS process, since those SOs that are closing down do not require an assessment and ranking for future funding.
- ¹³ USAID/ Ethiopia, FY2000 R4, p. 7.
- ¹⁴ USAID/Romania FY2000 R4, p. 23.
- ¹⁵ USAID/Kyrgyzstan FY2000 R4, p. 14.
- ¹⁶ USAID/Kyrgyzstan FY2000 R4, p. 15.
- ¹⁷ USAID/Russia FY2000 R4, p. 31.
- ¹⁸ USAID/Ukraine FY2000 R4, p. 56.
- ¹⁹ USAID/Ukraine FY2000 R4, p. 55.
- ²⁰ USAID/Ghana FY2000 R4, p. 10.
- ²¹ USAID/Ghana FY2000 R4, p. 11.
- ²² USAID/Uganda FY2000 R4, p. 12.
- ²³ USAID/Indonesia FY2000 R4, SO1 Indicators p. iii.
- ²⁴ USAID/Morocco FY2000 R4, SO3 PDT-11.
- ²⁵ USAID/Morocco FY2000 R4, SO3 PDT-12.
- ²⁶ USAID/Egypt FY2000 R4, p. 29.
- ²⁷ USAID/G-CAP FY2000 R4, p. 7, SO1-PDT (iv).
- ²⁸ USAID/Peru FY 2000 R4, pp. 36, 43.
- ²⁹ USAID/Peru FY 2000 R4, p. 41.
- ³⁰ USAID/Peru FY 2000 R4, p. 43.
- ³¹ USAID/Jamaica FY2000 R4, p. 24.
- ³² USAID/Jamaica FY2000 R4, p. 25.
- ³³ USAID/Jamaica FY2000 R4, p. 20.
- ³⁴ USAID/RCSA FY2000 R4, p. 33.
- ³⁵ USAID/Moldova FY2000 R4, p. 26.
- ³⁶ USAID/Kenya FY2000 R4, pp. 26–28.
- ³⁷ USAID/Malawi FY2000 R4, pp. 20–21.
- ³⁸ USAID/Bangladesh FY2000 R4, p. 22.
- ³⁹ USAID/Bangladesh FY2000 R4, p. 24.
- ⁴⁰ USAID/Egypt FY2000 R4, p. 7.
- ⁴¹ USAID/Nepal FY2000 R4, p. SO1-PDT-2.
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- ⁴⁵ USAID/Honduras FY2000 R4, p. 25.
- ⁴⁶ USAID/Honduras FY2000 R4, p. 26.
- ⁴⁷ See chapter 7, Humanitarian Assistance, for more information on the Title II programs.
- ⁴⁸ USAID/Bolivia FY2000 R4, p. EO-ii.
- ⁴⁹ USAID/Bolivia FY2000 R4, p. EO-vi.
- ⁵⁰ USAID/Bolivia FY2000 R4, p. EO-vii.
- ⁵¹ USAID/Moldova FY2000 R4, p. 7.
- ⁵² USAID/South Africa FY2000 R4, p. 108.
- ⁵³ USAID/South Africa FY2000 R4, p. 111.
- ⁵⁴ USAID/Uganda FY2000 R4, p. 9.
- ⁵⁵ USAID/Tanzania FY2000 R4, p. 48.
- ⁵⁶ USAID/Tanzania FY2000 R4, p. 49.
- ⁵⁷ USAID/Jordan FY2000 R4, p. 42.
- ⁵⁸ USAID/Morocco FY2000 R4, p. SO3-PDT-7.
- ⁵⁹ USAID/Morocco FY2000 R4, p. SO3-PDT-7.
- ⁶⁰ USAID/Bolivia FY2000 R4, p. EO-iv.
- ⁶¹ USAID/Bolivia FY2000 R4, p. EO-iii.
- ⁶² USAID/Bolivia FY2000 R4, p. 14.
- ⁶³ Project Assistance Completion Report Small Farmers' Organization Strengthening Project 522-0252, USAID/Honduras, July 31, 1996.

Chapter 2. DEMOCRACY AND GOOD GOVERNANCE

- ¹ Freedom House is an independent organization, based in Washington, that publishes an annual survey on the status of political rights and civil liberties in countries around the globe. Freedom House undertakes a more detailed study of democratization in the ENI region, published separately in *Nations in Transit*.
- ² Not all 1997 SOs were assessed and ranked by the bureaus in the BBS process, since those SOs that are closing down do not require an assessment and ranking for future funding.
- ³ A synthesis report, *Spreading Power to the Periphery: An Assessment of Democratic Local Governance*, summarizes and further analyzes the country case studies' findings and lessons learned to inform future USAID democratic decentralization programming.
- ⁴ Elections for the country's 701 newly reconfigured communes have not yet taken place.

Chapter 3. HUMAN CAPACITY DEVELOPMENT

- ¹ Prior to this change, basic education was an objective under the Agency's first goal, economic growth.
- ² Robert Barro, "Determinants of Democracy," Harvard Institute for International Development, Development Discussion Paper 570, January 1997.
- ³ *Priorities and Strategies for Education: A World Bank Review*, Washington, 1995, pp. 32–33.
- ⁴ USAID New Management System/emphasis codes.
- ⁵ These counts exclude strategic objectives supported by USAID central bureaus: two by the Global Bureau's Center for Human Capacity Development (one each for basic education and higher education); one by the Global Bureau's Office of Women in Development (for basic education); and one by the Bureau of Humanitarian Relief's American Schools and Hospitals Abroad program, which includes activities in both basic and higher education.
- ⁶ These calculations are described in greater detail in USAID's *Agency Performance Plan* for FY2000.
- ⁷ The net enrollment rate measures the proportion of children of official school age in the population who are enrolled in school. It excludes children younger or older than the official school age who are enrolled. This served as the final year in the calculation. The country also had to report the enrollment rate for an initial year 7 to 11 years before the final year. When data for several years from 1994 through 1996 were reported, the calculation used the most recent year. Likewise, when enrollment was reported for several initial years, data were taken in descending order of preference from 11, 10, 9, 8, or 7 years before the final year.
- ⁸ Development Assistance Committee, *Shaping the 21st Century: The Contribution of Development Cooperation*.

- ⁹ The gross primary enrollment rate is defined as the number of children enrolled in primary school, divided by the number of primary school-aged children in the population. The rate exceeds 100 percent in many developing countries, usually because many enrolled children are older than the official age for attending primary school. This is generally a result of grade repetition or late entry into schooling. The scarcity of net enrollment rate data by sex forces reliance on gross enrollment rates. For a country with a gross enrollment rate of 75 percent for girls and 90 percent for boys, the gender gap measure is $(75/90) - 1 = .833 - 1 = -0.167$, or 16.7 percent.
- ¹⁰ Not all 1997 SOs were assessed and ranked by the bureaus in the BBS process, since those SOs that are closing down do not require an assessment and ranking for future funding.
- ¹¹ Ethiopia FY2000 R4, p. 30.
- ¹² Karin A.L.Hyde, Esme C. Kadamira, and others. *Village-Based Schools in Mangochi, Malawi: An Evaluation*. Washington, February 1997; and Muskin, Joshua A. *Evaluation of Save the Children's Community School Project in Kolondieba, Mali*. Washington: USAID, February 1997.
- ¹³ Bolivia FY2000 R4, pp.15–16.
- ¹⁴ Honduras FY2000 R4, p. 17.
- ¹⁵ Jamaica FY2000 R4, p. 44.
- ¹⁶ ANE BBS/R4 p.24; Burchfield, Shirley A, *An Analysis of the Impact of Literacy on Women's Empowerment in Nepal*, March 1997, p.107; and Nepal R4, p. 21.
- ¹⁷ FY2000 R4, Honduras, pp. 16–17.
- ¹⁸ FY2000 R4, Uganda, pp. 36–37.
- ¹⁹ FY2000 R4, BHR/ASHA, pp. 2–3.
- ²⁰ Egypt R4, Vol 1, p. 35.
- ²¹ FY2000 R4, Center for Human Capacity Development, p. 32.
- ²² USAID/ENI Bureau, *ENI Higher Education Background and Successes in FY 1997*, Internal document, September 1998.
- ²³ FY2000 R4, Center for Human Capacity Development, pp. 31–37
- ²⁴ T. Paul Schultz, *Why Governments Should Invest More to Educate Girls*, Draft, October 1998, USAID/G/WID.
- ²⁵ Chloe O'Gara, Sharon Benoliel, Margaret Sutton, and Karen Tietjen, *More, But Not Yet Better: An Evaluation of USAID's Programs and Policies to Improve Girls' Education*, USAID/CDIE, 1999.
- ²⁶ The evaluation of the impact of women's literacy programs in Nepal on mothers' support for their boys' and girls' schooling is not included. The evaluation confirmed that such programs can have a positive impact, but the nature of the program and a lack of primary data make it difficult to draw strong conclusions about its cost-effectiveness and impact on girls' schooling, compared with efforts that concentrate directly on schooling for girls. For further information, see *Promoting Education for Girls in Nepal*, by Sharon Benoliel, Lynn Ilon, Margaret Sutton, Dibya Karmacharya, Shreeram Lamichhane, Pramila Rajbhandry, Basu Dev Kafle, and Sunita Giri.
- ²⁷ O'Gara et al., op. cit., p. 28.
- ²⁸ O'Gara et al., op. cit., p. 28.
- ²⁹ *Guatemala Case Study*, Stromquist, Nelly P., Steven Klees, and Shirley Miske, USAID/CDIE, 1998.
- ³⁰ Stromquist et al. op. cit.
- ³¹ O'Gara et al., op. cit.
- ³² Experts have speculated on a number of reasons for parents' more tenuous support of girls' schooling, including 1) parents' reliance on girls to help with household chores, 2) the prominence of less concrete, nonmarket benefits in the overall benefits from girls' education, and 3) cultural expectations that sons will help provide for their parents, but daughters will not, especially if they marry.
- ³³ O'Gara et al., op. cit.
- ³⁴ Nancy Birdsall, M. Corden, H. Pack, J. Page, R. Sabot, and J. Stiglitz, *The East Asian Miracle: Economic Growth and Public Policy*, World Bank, 1993.

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- ² Population Reference Bureau.
- ³ UN Population Division data from all developing countries, excluding China.
- ⁴ See the Premier Development Agency chapter for a discussion of USAID's leadership in the PHN sector as well as other development sectors.

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- 10 See annex A.4. USAID operating unit programs with PHN objectives.
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- 16 U.S. Census Bureau.
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- 29 Honduras R4.
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Chapter 6. HUMANITARIAN ASSISTANCE

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- ² Title II also provides resources to U.S. private voluntary organizations and the World Food Program to implement sustainable development programs intended to improve food security in developing countries. “The Title III Food for Development” program, managed by USAID’s regional bureaus, provides agricultural commodities to improve food security and promote agricultural policy reforms that encourage food production.
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- ⁵ USAID, July 1998, Bureau for Humanitarian Response. *FY 2000 Budget Submission*, p. 11.
- ⁶ Immigration and Refugee Services of America, 1998, ISSN: 0197-5439, ISBN: 0-915384-00-0, Washington, 1998, p. 3.
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- ²¹ USAID, March 1998, USAID/Liberia, *Results Review and Resource Request, FY 2000*, p. 9.
- ²² *Third Report on the World Nutrition Situation, December 1997*; “Chapter 3: The Nutrition of Refugees and Displaced Populations,” p. 68.
- ²³ USAID/Rwanda.
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ANNEX

A

**DISTRIBUTION
OF USAID
COUNTRY AND
REGIONAL
PROGRAMS
BY AGENCY
OBJECTIVE**

Table A.1
USAID Country and Regional Programs With Economic Growth and Agricultural Development Objectives in 1997

	Africa	Asia and the Near East	Eastern Europe and the New Independent States	Latin America and the Caribbean	Total
Total number of operating units	28	13	23	18	82
Number with EGAD objectives	23 (82%)	13 (100%)	23 (100%)	13 (72%)	72 (88%)
Objective 1.1 Critical Private Markets Expanded and Strengthened	Angola, Eritrea, Ghana, Guinea–Bissau, Madagascar, Malawi, Mali, Mozambique, RCSA, REDSO/ESA, Sahel Regional Program, South Africa, Sustainable Development Office, Tanzania, Zambia, Zimbabwe (16)	Egypt, India, Indonesia, Jordan, Lebanon, Mongolia, Morocco, Philippines, Sri Lanka, West Bank–Gaza (10)	Albania, Armenia, Azerbaijan, Belarus, Bulgaria, Central Asia Regional, Croatia, Georgia, Hungary, Kazakstan, Kyrgyzstan, Latvia, Lithuania, Macedonia, Moldova, Poland, Romania, Russia, Slovakia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan (23)	Bolivia, Central America Program, Dominican Republic, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Latin America Regional, Peru (11)	60 (73%)
Objective 1.2 More Rapid and Enhanced Agricultural Development and Food Security	Eritrea, Ethiopia, Ghana, Guinea, Guinea–Bissau, Kenya, Malawi, Mali, Mozambique, RCSA, REDSO/ESA, Sahel Regional Program, Senegal, Somalia, Sustainable Development Office, South Africa, Uganda, Zambia (18)	Bangladesh, Egypt, India, Lebanon, Morocco, Nepal, Philippines, West Bank–Gaza (8)	Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Lithuania, Macedonia, Moldova, Romania, Russia, Slovakia, Tajikistan, Ukraine (13)	Bolivia, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Latin America Regional, Nicaragua, Peru (10)	49 (60%)
Objective 1.3 Access to Economic Opportunity for the Rural and Urban Poor Expanded and Made More Equitable	Eritrea, Ghana, Guinea, Guinea–Bissau, Kenya, Madagascar, Malawi, Mali, Mozambique, Namibia, South Africa, Sustainable Development Office, Tanzania, Uganda, Zambia, Zimbabwe (16)	Bangladesh, Cambodia, India, Jordan, Lebanon, Morocco, Nepal, Philippines, Sri Lanka, West Bank–Gaza (10)	Azerbaijan, Bulgaria, Croatia, Hungary, Poland, Romania, Russia, Slovakia, Ukraine (9)	Bolivia, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Honduras, Jamaica, Latin America Regional, Nicaragua, Peru (11)	46 (56%)

Note: This table shows *operating units* with strategic objectives in support of the EGAD goal and agency objectives. The numbers of strategic objectives may differ since some operating units may have more than one EGAD strategic objective, and some of the operating units' strategic objectives may support more than one agency goal or objective.

Table A.2
USAID Country and Regional Programs With Democracy and Governance Objectives in 1997

	Africa	Asia and the Near East	Eastern Europe and the New Independent States	Latin America and the Caribbean	Total
Total number of operating units	28	13	23	18	82
Number with DG objectives	24 (86%)	10 (77%)	21 (91%)	15 (83%)	70 (85%)
Objective 2.1 Rule of Law	Eritrea, Ethiopia, Malawi, Mozambique, Rwanda, Senegal, South Africa, Tanzania, Uganda (9)	Bangladesh, Cambodia, Egypt, India, Indonesia, Mongolia, Nepal, Philippines, West Bank–Gaza (9)	Albania, Armenia, Belarus, Bulgaria, Croatia, Georgia, Moldova, Russia, Slovakia, Ukraine (10)	Bolivia, Brazil, Colombia, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, LAC Regional, Mexico, Nicaragua, Paraguay, Peru (15)	43 (52%)
Objective 2.2 Elections	Angola, Ghana, Kenya, Liberia, Malawi, Mozambique, Senegal, Zambia (8)	Bangladesh, Cambodia, Mongolia, Nepal, West Bank–Gaza (5)	Albania, Armenia, Belarus, Croatia, Georgia, Kazakstan, Kyrgyzstan, Macedonia, Moldova, Russia, Slovakia, Tajikistan, Ukraine, Uzbekistan (14)	Bolivia, Dominican Republic, El Salvador, Guyana, Haiti, Honduras, LAC Regional, Mexico, Nicaragua, Paraguay, Peru (11)	38 (46%)
Objective 2.3 Civil Society	Angola, Benin, Eritrea, Ethiopia, Ghana, Guinea, Kenya, Liberia, Malawi, Mali, Mozambique, Namibia, Nigeria, RCSA, Rwanda, Sahel Regional Program, Senegal, Somalia, South Africa, Africa SD, Tanzania, Uganda, Zambia, Zimbabwe (24)	Bangladesh, Cambodia, Egypt, Indonesia, Mongolia, Nepal, Philippines, West Bank–Gaza (8)	Albania, Armenia, Azerbaijan, Belarus, Bulgaria, Croatia, Georgia, Hungary, Kazakstan, Kyrgyzstan, Lithuania, Macedonia, Moldova, Poland, Romania, Russia, Slovakia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan (21)	Colombia, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, LAC Regional, Mexico, Nicaragua, Peru (12)	65 (79%)
Objective 2.4 Government Institutions	Angola, Benin, Eritrea, Ethiopia, Ghana, Guinea, Malawi, Mali, Mozambique, Namibia, Rwanda, Sahel Regional Program, Senegal, Somalia, South Africa, Africa SD, Tanzania, Uganda, Zambia (19)	Bangladesh, Cambodia, Egypt, Lebanon, Mongolia, Philippines, West Bank–Gaza (7)	Albania, Bulgaria, Georgia, Hungary, Kazakstan, Kyrgyzstan, Lithuania, Macedonia, Poland, Romania, Russia, Slovakia, Tajikistan, Ukraine, Uzbekistan (15)	Bolivia, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, LAC Regional, Mexico, Nicaragua, Paraguay, Peru (13)	54 (66%)

Note: This table shows *operating units* with strategic objectives in support of the DG goal and agency objectives. The numbers of strategic objectives may differ since some operating units may have more than one DG strategic objective, and some of the operating units' strategic objectives may support more than one agency goal or objective.

Table A.3
USAID Country and Regional Programs With Human Capacity Development Objectives in 1997

	Africa	Asia and the Near East	Eastern Europe and the New Independent States	Latin America and the Caribbean	Total
Total number of operating units	28	13	23	18	82
Number with HCD objectives	10 (36%)	5 (38%)	1 (4%)	9 (50%)	25 (30%)
Objective 3.1 Basic Education, especially for girls	Benin, Ethiopia, Ghana, Guinea, Malawi, Mali, Namibia, South Africa, Sustainable Development Office, Uganda (10)	Cambodia, Egypt, India, Morocco, Nepal (5)	None (0)	Bolivia, Brazil, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Nicaragua, Peru, LAC Regional (10)	25 (32%)
Objective 3.2 Higher Education	South Africa (1)	Egypt (1)	Hungary (1)	LAC Regional (1)	4 (5%)

Note: This table shows *operating units* with strategic objectives in support of the HCD goal and agency objectives. The numbers of strategic objectives may differ since some operating units may have more than one HCD strategic objective, and some of the operating units' strategic objectives may support more than one agency goal or objective.

Table A.4
USAID Country and Regional Programs with Population, Health and Nutrition Objectives in 1997

	Africa	Asia and the Near East	Eastern Europe and the New Independent States	Latin America and the Caribbean	Total
Total number of operating units	28	13	23	18	82
Number with PHN objectives	21 (75%)	10 (77%)	9 (39%)	16 (89%)	56 (68%)
Objective 4.1 Reduction in Unintended and Mistimed Pregnancies	Benin, Eritrea, Ethiopia, Ghana, Guinea, Kenya, Madagascar, Malawi, Mali, Mozambique, Nigeria, REDSO/ESA, REDSO/WCA, SD, Sahel Regional Program, Senegal, South Africa, Tanzania, Uganda, Zambia, Zimbabwe (21)	Bangladesh, Cambodia, Egypt, India, Indonesia, Jordan, Morocco, Nepal, Philippines (9)	None (0)	Bolivia, Brazil, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Paraguay, Peru (13)	43 (52%)

Continued

Table A.4 (Continued)
USAID Country and Regional Programs With Population, Health and Nutrition Objectives in 1997

	Africa	Asia and the Near East	Eastern Europe and the New Independent States	Latin America and the Caribbean	Total
Objective 4.2 Improvement in Infant and Child Health & Nutrition	Benin, Eritrea, Ethiopia, Ghana, Guinea, Kenya, Madagascar, Malawi, Mali, Mozambique, Nigeria, REDSO/ESA, REDSO/WCA, SD, Senegal, South Africa, Tanzania, Uganda, Zambia (19)	Bangladesh, Cambodia, Egypt, India, Indonesia, Morocco, Nepal, Philippines (8)	Albania, Georgia, Romania, Slovakia (4)	Bolivia, Brazil, Colombia, Ecuador, El Salvador, Guatemala, Haiti, Honduras, LAC Regional, Nicaragua, Peru (11)	42 (51%)
Objective 4.3 Reduction in Deaths During Pregnancy and Childbirth	Eritrea, Ethiopia, Ghana, Malawi, Mozambique, Nigeria, REDSO/ESA, REDSO/WCA, SD, Tanzania, Uganda, Zambia (12)	Bangladesh, Cambodia, Egypt, India, Indonesia, Morocco, Nepal, Philippines (8)	Albania, Georgia, Kazakhstan, Kyrgyzstan, Romania, Tajikistan, Turkmenistan, Uzbekistan (8)	Bolivia, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, LAC Regional, Nicaragua, Paraguay, Peru (11)	39 (48%)
Objective 4.4 Reduction in Transmission and Impact of the HIV/AIDS Pandemic	Benin, Eritrea, Ethiopia, Ghana, Guinea, Kenya, Madagascar, Malawi, Mali, Mozambique, Nigeria, REDSO/ESA, REDSO/WCA, SD, Senegal, South Africa, Tanzania, Uganda, Zambia, Zimbabwe (20)	Bangladesh, Cambodia, India, Indonesia, Nepal, Philippines, Sri Lanka (7)	None (0)	Bolivia, Brazil, Dominican Republic, G/CAP, Haiti, Honduras, Jamaica, Mexico, Nicaragua (9)	36 (44%)
Objective 4.5 Reduction in Threat of Infectious Diseases	None (0)	Bangladesh, Egypt, Nepal (3)	Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan (6)	Peru (1)	10 (12%)

Note: This table shows *operating units* with strategic objectives in support of the HPN goal and agency objectives. The numbers of strategic objectives may differ since some operating units may have more than one HPN strategic objective, and some of the operating units' strategic objectives may support more than one agency goal or objective.

Table A.5
USAID Country and Regional Programs With Environment Objectives in 1997

	Africa	Asia and the Near East	Eastern Europe and the New Independent States	Latin America and the Caribbean	Total
Total number of operating units	28	13	23	18	82
Number with ENV objectives	18 (64%)	11 (85%)	14 (61%)	18 (100%)	61 (74%)
Objective 5.1 Threat of Global Climate Change Reduced	Guinea, Sustainable Development Office, Tanzania (3)	Egypt, India, Philippines (3)	Central Asia Regional, Russia (2)	Brazil, Regional Office for Central American Programs, Haiti, Mexico (4)	12 (15%)
Objective 5.2 Biological Diversity Conserved	Guinea, Kenya, Madagascar, Malawi, Namibia, REDSO/ESA, Senegal, Sustainable Development Office, Tanzania, Uganda, Zimbabwe (11)	Cambodia, Egypt, Philippines (3)	Russia (1)	Bolivia, Brazil, Colombia, Ecuador, Regional Office for Central American Programs, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, LAC Regional Bureau (13)	28 (34%)
Objective 5.3 Sustainable Urbanization Including Pollution Management Promoted	South Africa (1)	Egypt, India, Indonesia, Jordan, Lebanon, Morocco, West Bank–Gaza (7)	Bulgaria, Central Asia Regional, Lithuania, Romania, Russia, Slovakia, Ukraine (7)	Bolivia, Ecuador, El Salvador, Haiti, Jamaica, Mexico, Panama, Peru (8)	23 (28%)

(Continued)

Table A.5 (Continued)
USAID Country and Regional Programs With Environment Objectives in 1997

	Africa	Asia and the Near East	Eastern Europe and the New Independent States	Latin America and the Caribbean	Total
Objective 5.4 Use of Environmentally Sound Energy Services Increased	None (0)	Egypt, India, Indonesia, Mongolia, Nepal, Philippines (6)	Armenia, Central Asia Regional, Georgia, Hungary, Latvia, Lithuania, Moldova, Romania, Russia, Ukraine (10)	Brazil, Dominican Republic, Regional Office for Central American Programs, Mexico (4)	20 (24%)
Objective 5.5 Sustainable Management of Natural Resources Increased	Ethiopia, Guinea, Kenya, Madagascar, Malawi, Mali, Namibia, RCSA, REDSO/ESA, Sahel Regional Program, Senegal, Sustainable Development Office, Tanzania, Uganda, Zambia, Zimbabwe (16)	Cambodia, Egypt, Indonesia, Jordan, Lebanon, Morocco, Philippines, West Bank–Gaza (8)	Bulgaria, Central Asia Regional, Georgia, Russia (4)	Bolivia, Brazil, Colombia, Dominican Republic, Ecuador, El Salvador, Regional Office for Central American Programs, Guatemala, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, LAC Regional Bureau (17)	45 (55%)

Note: This table shows *operating units* with strategic objectives in support of the ENV goal and agency objectives. The numbers of strategic objectives may differ since some operating units may have more than one ENV strategic objective, and some of the operating units' strategic objectives may support more than one agency goal or objective.

Table A.6
USAID Country and Regional Programs With Human Assistance Objectives in 1997

	Africa	Asia and the Near East	Bureau for Humanitarian Response	Eastern Europe and the New Independent States	Latin America and the Caribbean	Total
Total number of operating units	28	13	3	23	18	85
Number with HA objectives	8 (29%)	2 (15%)	3 (100%)	7 (30%)	0 (0%)	23 (27%)
Objective 6.1 Potential Impact of Crises Reduced	Ethiopia, REDSO/ESA, Somalia, Sustainable Development Office (4)	None (0)	Food for Peace (FFP), Office of Foreign Disaster Assistance (OFDA) (2)	Armenia, Bulgaria, Georgia (3)	None (0)	9 (11%)
Objective 6.2 Urgent Needs in Times of Crisis Met	Angola, Ethiopia, Somalia, Uganda (4)	None (0)	FFP, OFDA (2)	Armenia, Georgia, Tajikistan (3)	None (0)	9 (11%)
Objective 6.3 Security and Basic Institutions Reestablished	Angola, Liberia, Rwanda, Somalia (4)	Cambodia, Sri Lanka (2)	FFP, OFDA, Office of Transition Initiatives (3)	Armenia, Azerbaijan, Croatia, Georgia, Tajikistan, Ukraine (6)	None (0)	15 (18%)

Note: This table shows *operating units* with strategic objectives in support of the HA goal and agency objectives. The numbers of strategic objectives may differ since some operating units may have more than one HA strategic objective, and some of the operating units' strategic objectives may support more than one agency goal or objective.

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Agriculture and the Environment: Farmers Need Simple Technologies, Secure Tenure, Fast Payback (PN-ABY-230)

Land degradation looms as a global problem. Between 1975 and the year 2000 the world will have lost 22 percent of its high-potential agricultural land, forcing farmers to expand onto lands that are less productive and more fragile. During the 1980s, USAID spent \$645 million on sustainable agriculture programs that introduced appropriate conservation technologies aimed at increasing agricultural production and reducing soil erosion in developing countries. This report examines program efforts in five of these countries: the Gambia, Jamaica, Mali, Nepal, and the Philippines. In each country, the new technologies, which included terracing, tree-planting, and construction of erosion barriers, increased agricultural production, improved livelihoods and social security, prevented and reduced soil loss, and restored previously uncultivable land to farming. The technologies, which work well and are easy to learn, can be successfully extended to other areas with similar environmental problems and agroclimatic conditions. However, improved technologies are of little lasting value without the institutions necessary to sustain and promote them. Therein lies the weak link in these programs. Inadequate institutions, particularly local ones, jeopardize the long-term sustainability of the farming practices introduced. This is an area

USAID should target for improvement if the very real strides it has made in soil and water conservation are to continue into the next century.

USAID's Population and Family Planning Program: A Synthesis of Six Country Case Studies (PN-ABY-234)

This retrospective study analyzes USAID contributions to family planning (FP) programs in six countries—Ghana, Honduras, Kenya, Pakistan, the Philippines, and Tunisia—and identifies lessons to improve program effectiveness and impact.

According to the report, FP programs have had a positive impact on fertility, health, and the social sectors in Honduras, Kenya, the Philippines, and Tunisia. In general, they have also become more financially efficient over time, although neither USAID nor the six countries have given sustained attention to this issue. USAID contributions to these successes included the following: 1) In each country, including Pakistan and Ghana, where demand for FP was relatively low, USAID-supported interventions increased the use of contraceptives substantially. 2) USAID was the principal FP donor in each country, contributing 40 percent–60 percent of all FP resources over a 20-year period. 3) The most frequently used modern contraceptive methods were those strongly supported by USAID, principally female sterilization, pills, and IUDs, which accounted

ANNEX

B

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for 92–96 percent of the modern methods used in three of the study countries. 4) The programs in Honduras, Kenya, the Philippines, and Tunisia trained more physicians and health service providers, made modern and effective contraceptives more accessible and available to the majority of the populace, established more delivery channels, and educated more couples than did those in the Philippines and Ghana. They also were more likely to respond to clients' needs by providing contraceptives and services more suited to or demanded by the populace. USAID support made many of these activities possible. While no demographic or health effects could be measured in Pakistan, USAID helped build the institutional capacity that is a precursor to fertility decline.

In all six countries, USAID supported the first steps toward making FP programs financially sustainable. Some activities shifted public sector costs to the private sector; others tested various cost-recovery strategies. USAID's work helped mobilize an international consensus favoring greater reliance on private sector service delivery. While none of the six FP programs is financially self-sufficient, there is evidence of progress toward sustainability in the countries where USAID took serious steps to encourage it. In addition, savings outweighed costs in four countries, by a large margin in the Philippines and Tunisia, to a substantially lesser degree in Kenya and Pakistan. (Includes bibliography.)

Democratic Local Governance in the Philippines: Tradition Hinders Transition (PN-ABY-235)

Although the Philippines has made major progress toward more autonomous and accountable local government by enacting the Local Government Code in 1991, traditional political values and behavior still hold the country back from full-scale democratic local governance. Too many local bosses build power bases through relationships based on favors (often reinforced by threats). Local political party organizations are fairly weak, and local bosses in many cases are loath to grant civil society organizations or citizens the roles carved out for them in the Local Government Code. Thus concludes this evaluation, which reviews USAID's long history of support for democratization in the Philippines. In the 1970s, for instance, the Agency sponsored a trip to the United States for mayors and other local officials (including the principal author of the Local Government Code) to receive training in public administration. Over the past 15 years, USAID has given more than \$78 million to NGOs and people's organizations to support their role as agents of democratic change and reform. Since 1992, the Agency has supported civil society directly, with \$15.1 million to help fisherfolk, urban poor, and indigenous peoples form coalitions. Through the Local Development Assistance Project

(1990–95), USAID provided \$50 million to help decentralize government functions, increase local governments' authority and resources, and broaden citizen participation. In 1995, the Agency began the Governance and Local Democracy project, to which USAID has already committed \$20 million to support development through decentralized governance.

These programs have had a visible impact on the progress of democratic local governance in the Philippines. However, the country still faces the formidable barriers of patronage-style politics, electoral fraud, exclusion of civil society, weak local party organizations, and citizens' lack of knowledge about democratic rights and responsibilities.

Lessons learned from USAID's experience with democratic local governance in the Philippines include the following:

- 1) It is important to build an understanding of democratic processes and develop tools for implementing democracy, even if it means having to wait for the right time to pursue related reforms.
- 2) Political will is essential at both the national and local levels.
- 3) Civil society organizations can fill the void when local political parties aren't strong enough to ensure citizen participation and government accountability.
- 4) Donors need to be flexible and anticipate changing circumstances.
- 5) Promoting democratic principles and attitudes is essential but is often ignored in the traditional emphasis on improving local government administration and service delivery.

Food Aid in Ghana: An Elusive Road to Self- Reliance (PN-ABY-237)

From 1965 through 1994, U.S. food aid to Ghana under PL 480 totaled nearly \$340 million, more than 50 percent of all the food aid received by that country. This report assesses the impact of that aid. All PL 480 food aid to Ghana has been provided as a part of a much larger U.S. policy reform assistance package, which, in turn, was part of a much larger multidonor package. Either the whole package worked or failed. The package delivered from 1966 through 1972 primarily failed; though Ghana launched a series of economic reforms and received a large amount of PL 480 assistance during this period, a political coup prevented the reforms from taking hold and subsequent reforms planned for 1979–83 fell victim to broken government promises.

However, during the last dozen years or so, USAID's food aid package to Ghana has largely succeeded. Since 1983, assistance has led to the privatization of government agricultural marketing, eliminated the fertilizer subsidy, and encouraged nontraditional agricultural exports. In addition, thanks to the economic reforms supported by food aid, the GDP increased during the period 1983–93 at an average rate of 5 percent, one of the longest and highest growth rates in all of Africa. Moreover, the share of those living in poverty fell from 37 percent in 1988 to 31 percent in 1992, and nontraditional agricultural exports, which help primarily the rural poor, increased from \$2 million in 1984 to \$160 million in 1995.

Assistance provided during this later period included Title II feeding programs aimed at those most at risk (pregnant and lactating mothers, malnourished infants and children, and those living in drought areas). These programs have clearly achieved results. Each year, Title II fed over 200,000 hungry Ghanaians, fulfilling the program's specified goal. Some Title II and III projects have addressed specific food and development problems, including food-for-work projects and projects in which food was sold to generate local currency to fund development projects. These were also found to be effective; those suffering from malnutrition were fed, schools and roads were built, village-based microenterprises were developed, and new economic opportunities were created. On the down side, these projects reached only 5 percent of those in need. Moreover, the underlying economic, political, social, and environmental factors that caused food insecurity still exist—a high population growth rate, low growth in agricultural productivity, low per capita income, and a significant proportion of the population living in extreme poverty.

In sum, despite the overall success of PL 480 food aid to Ghana in the last decade or so, a large part of the country's population, 31 percent, still suffers from malnutrition, a problem in which Ghana still ranks near the worst among sub-Saharan countries. The rural poor in the northern half of the country, for example, are as poor as any in Africa, and there is disquieting evidence that the urban poor, even in the largest cities of the south, are becoming poorer.

Lessons learned are as follows: 1) Title I and Title III food aid is a highly flexible development tool in support of policy reforms. 2) Food aid commodities that do not compete with domestic crops do not create a disincentive to local production. 3) Food aid can create a dependency or preference for an imported commodity, such as wheat. 4) Title II feeding programs are a social "safety net" or "holding action" temporarily helping beneficiaries. 5) More study is needed of the relative importance of factors causing food deficits in highly food-insecure recipient countries. 6) Increased Title II monetization and the increased availability of local currency resources from Title III have significantly boosted the ability of NGOs to increase the impact of development projects.

Democratic Local Governance in Ukraine (PN-ABY-238)

While Ukraine's 1996 Constitution gives local government the right to resolve local matters independently, the legal framework to implement this right is missing, and the structure and operations of government remain as they were before independence. Through its Municipal Finance and Management Project, USAID is working to bolster democratic local governance in Ukraine, supporting efforts to increase the effectiveness, accountability, and openness of local governments, and boost citizen involvement in three pilot cities and to replicate these accomplishments in other Ukrainian cities. USAID also supports democratic local governance through

programs to bring about private ownership of housing units and link national housing policy with local privatization demonstration projects. In addition, the Agency supports PVOs working to increase citizen participation and input in local government.

Despite daunting obstacles, signs of emerging democratic local governance in Ukraine are visible. Mayors of the pilot cities in the Municipal Finance and Management project have begun to involve the citizenry in developing the municipal budget and are actively seeking their input on other local government matters. In these same cities, local governments have become more open and accountable, while improving delivery of essential municipal services. Individuals are also beginning to get involved politically at the local level, organizing to improve housing, challenge business interests, and help others for whom the government no longer provides.

USAID's experience with democratic local governance in Ukraine teaches the following lessons: 1) Building democracy can and should be included in efforts to strengthen traditional areas of local government, such as public administration and service delivery. 2) Donors need to do more to link democracy and governance programming with other areas of development activity. 3) Donor assistance should be coordinated and comprehensive, including a viable legal framework, enhanced local government capacity, and increased citizen involvement. 4) Donors need to shore up resolve at the national level to create and sustain the necessary enabling environment. 5) Advocacy organizations are

needed at the national level to represent the interests of local governments. 6) USAID should support valid alternative models of democratic local governance. 7) Study tours in the United States are valuable because they take visiting local government officials beyond abstract notions and give them concrete examples to follow or adapt. 8) Onsite resident advisers can boost a project's overall success because of their sustained, hands-on involvement.

Food Aid in Ethiopia (PN-ABY-241)

Since 1956, the United States has provided Ethiopia, mainly via the Title II program, with \$773 million in food aid. The sum accounts for 28 percent of all food aid provided the East African country over the past 40 years. This report evaluates the economic, social, and political effects of this aid and identifies its principal beneficiaries.

The impact of U.S. food aid to Ethiopia has varied over time. During the reign of Emperor Haile Selassie (1930-74), assistance was small, adding on average less than 2 percent to the country's foreign exchange earnings. But in late 1973, in response to a famine, USAID increased its allocation of Title II resources from \$1 million to nearly \$14 million. Though thousands of lives were saved, at least 100,000 were lost. Food insecurity eroded the stability of Haile Selassie's regime, but it would be difficult to prove that U.S. food aid had any significant political impact. Whether earlier introduction of famine relief could have helped save or prolong the regime is uncertain.

During Mengistu's Marxist-style regime (1974–91), food aid added somewhat more to the country's foreign exchange resources but because of the political and economic environment did not contribute to sustainable economic growth. The period 1982–92 saw famine and civil strife, and though malnutrition rates worsened, food aid most likely deflected even higher rates. During 1984–86, U.S. food aid, provided mostly through PVOs, probably saved millions of lives. However, for this period, food aid was used by both the government and (through an across-border program) the various rebel factions, perhaps helping to prolong the conflict.

For the period 1992–95, after the Mengistu regime was replaced by a transitional government, U.S. food aid accounted for 34 percent of the country's foreign exchange resources. The transfer of agricultural commodities in that period helped jump-start Ethiopia's productive sectors, released money to support other development activities, and helped build the emergency food security reserve and the country's capacity to respond to a 1994 drought. Food assistance also provided a basis for policy dialog on economic liberalization and food security. Over the past four years, the nutritional status of children participating in food-assisted maternal and child health (MCH) programs has improved; food rations may have contributed indirectly to this change by motivating mothers to attend MCH activities (counseling, growth monitoring, and nutrition and health education).

Lessons learned from the evaluation are that food aid can 1) help a country stabilize its economy and provide a basis for policy dialog on issues critical

to food security; 2) unintentionally prolong civil conflict, even when the sole purpose of the aid is humanitarian relief; 3) indirectly contribute to improving children's nutritional status by stimulating mothers' participation in MCH programs; and 4) be an important vehicle for supporting growth strategies and public resource transfers that differentially benefit lower-income groups. (Author abstract, modified.)

Food Aid in Bangladesh: A Gradual Shift From Relief To Reform (PN-ABY-242)

The PL 480 program in Bangladesh, the second largest in the Agency, has been the country's largest source of food aid since its independence from Pakistan, providing over \$2.3 billion of food from 1972 through 1994, about 41 percent of the total amount of food that Bangladesh received in that period. Of this amount, 71 percent was program food aid (mainly Title III); much of the rest was project food aid (Title II) that supported what grew to become one of the largest food-for-work (FFW) efforts in the world. This report assesses the economic, political, and social effects of the program and identifies its beneficiaries.

The multiyear Title III program has focused on promoting food security through policy reform. Specific reforms have included directing the country's food distribution system more closely toward the poor and providing production incentives to farmers by stabilizing food price fluctuations within a relatively narrow range. Of the Title II FFW programs, road construction has been the mainstay.

The impact of this assistance has been substantial. Since the mid-1980s, the feared food grain gap has diminished, thanks in part to the policy reforms supported by the program and first-class monitoring by USAID and the World Bank. Equally important, food aid represented a significant resource for a country suffering severe shortages in virtually all resources. PL 480 was especially critical from independence in 1971 to 1987, when it equaled more than 10 percent of the country's export earnings.

U.S. food aid also contributed to the sharp decline, from 92 percent in 1974 to 48 percent in 1992, in the incidence of poverty in Bangladesh. The program has provided seasonal employment to landless laborers under a CARE-administered FFW program; developed much of the country's rural roads network, thereby increasing both agricultural and off-farm incomes as well as access to family planning and health services and primary schools; and financed agricultural research that contributed to major productivity gains in agriculture and a 47 percent reduction in real rice prices from 1975 to 1994. Food aid has also improved food consumption, though it is difficult to demonstrate any significant impact on children's nutritional status. Finally, the program has clearly benefited the poor by supporting reforms that redirected subsidized public food distribution to them, by implementing FFW efforts in relatively poor geographic regions, and by supplying a food commodity—wheat—that tends to be bought by the poor rather than by the rich.

The Bangladesh experience offers several important lessons. It demonstrates that food aid can provide the basis for policy dialog on issues critical to

achieving food security. That is partly because it reduces the risk of undertaking politically sensitive changes in food policy. It confirms that sound policy analysis is fundamental to successful policy reform. It illustrates how food aid can be successfully targeted not only to reach the poor but also to avoid reaching the rich. It also shows how food aid and the local currency generated from the sale of food can be used to support public sector activities needed to boost food production, improve access to social services, and reduce poverty.

Although food aid is a relatively inefficient vehicle for funding activities that require cash, this is a moot point when such aid is the only resource available. Although in theory FFW projects can achieve short-term relief and long-term development simultaneously, this rarely occurs in practice. Finally, although food aid can discourage domestic grain production, policy changes associated with food aid can enhance production—more than offsetting the minimally depressing effects of the imports.

Democratic Local Governance in Bolivia (PN-ABY-243)

With the 1994 passage of the Popular Participation Law (PPL), propitious support for which has been provided by USAID's Democratic Decentralization and Citizen Participation project, Bolivia's bold experiment in democratic local governance (DLG) is off to a good start. For the first time in its history, the country has self-governing municipalities with popularly elected mayors, councils, and vigilance committees, and rural indigenous people are participating in local politics.

This experiment raises several important issues. Because the vigilance committees and their subunits, the community organizations, have close links with their constituents, they will, like those constituents, generally lack technical skills in planning and oversight. Further, because they are elected every two years, whatever expertise does accumulate will not necessarily last very long. On the issue of inclusiveness, the PPL, by establishing so many small municipalities (311, with a median size of 8,400) and even smaller vigilance committees (representing about 3,000 people) and community organizations (representing about 450 people), ensures a political voice to any geographically concentrated group, including many formerly excluded indigenous strata and poorer urban areas.

Another issue is governance and civil society. Prior to the PPL, most local institutions were essentially governance structures, setting rules and resolving conflicts for their members, rather than civil bodies advocating for competing agendas. This means that pluralistic politics is, for the most part, absent from the local scene. Given the long-standing cultural bias for consensus over competition in matters of public governance, the development of civil society will be slow in coming; donor efforts could help accelerate it.

A final issue concerns limits and reverses to decentralization. Bureaucratic decentralization has proven more difficult in some ways than its political counterpart. For example, professionals such as teachers and physicians remain on the central government payroll even though their functions have been placed

under local control, giving them divided loyalties. There are also recognizable tendencies toward recentralization. In particular, significant power has flowed to the department level and its head—the presidentially appointed prefect—in the form of resources for training, matching grants, and payrolls. Also, the council established to coordinate governmental activity throughout the department has no power to legislate or veto. Lastly, administrative supervision for decentralization has been transferred to the Ministry of the Presidency, thus giving the president much more direct say in the process.

Bolivia's experience with DLG inculcates lessons in three areas. 1) *Success factors*. Political will has been critical. DLG initiatives work better when a pre-existing structure is incorporated into the new system. Donor efforts planned in parallel with host country reforms in DLG can facilitate timely support. Local media can effectively promote civic education in DLG. The benefits of decentralization under DLG can be equitable, though the pattern is not totally consistent. 2) *Challenges*. Increases in participation seem easier for some marginal elements than for others, especially women. A long-standing local governance structure does not necessarily imply a civil society infrastructure for DLG. Fiscal autonomy can benefit some areas much more than others. Real bureaucratic decentralization may be harder than its political equivalent. Political decentralization can spawn counteractive centralizing tendencies. 3) *Puzzles*. What effect will parallel political structures—mayors/councils, vigilance committees/community organizations, and single-member districts—have on

democratic local governance? Will political parties be constructive or destructive to DLG? How will traditional groups and institutions be incorporated into evolving DLG structures? (Author abstract, modified.)

Food Aid in the Sahel: \$1 Billion Investment Shows Mixed Results (PN-ABY-244)

This evaluation assesses the impact of some \$500 million in U.S. food aid provided over the past 38 years to the Sahelian nations of Burkina Faso, Cape Verde, Chad, the Gambia, Guinea-Bissau, Mali, Mauritania, Niger, and Senegal.

Results have been mixed. Programs that sought long-term outcomes have had difficulty generating measurable results. Some, such as maternal and child health (MCH) programs, have largely failed to achieve their principal objectives (e.g., nutritional impact on young children). Others, such as school feeding programs, have generated positive and measurable results but present challenges in sustainability. Still others, such as those dealing with policy reform and food for work (FFW), have succeeded in many cases, but the full effects are difficult to measure because of problems of attribution and potentially negative side effects. Specific findings and lessons learned are noted as follows:

1) Program food aid is a double-edged sword. Recipient governments can use it to facilitate growth-inducing reforms, or they can use it to finance statist policies, support overvalued currencies, and

postpone change. In the early 1980s, USAID's efforts were often confounded by this problem, but by the mid-1980s, when conditionalities became directed at market liberalization, food markets had become more efficient. Because many of the policy reform successes in the Sahel were achieved in coordination with other donors, it is inappropriate to attribute the changes solely to USAID.

2) Monetization of program food aid has resulted in significant budget support for recipient governments. Local currency generations have been invested in a wide variety of activities. Some have yielded positive returns (such as tree planting to stabilize dunes), others, negative returns (financing state marketing agencies), and still others, ambiguous returns (strengthening an agricultural marketing board). Ambiguities have also arisen about the ownership and fungibility of counterpart funds, often resulting in disputes over how to program the money, account for it, and report on its uses.

3) Overall, FFW has a good record as a tool for targeting food to the poor during severe droughts in the Sahel. Its record as a tool for longer term development, however, is mixed and poorly documented. In some cases, FFW has served to build useful public works, but in others it has created low-quality infrastructure of limited value. In some cases, it has facilitated community development projects, but in others it has weakened the spirit of self-help necessary for genuine community initiative. To succeed, however, FFW must be well managed and used for carefully designed projects. Moreover, donors must always be vigilant for potential behavior-distorting effects of FFW and take steps to minimize them,

particularly in community development projects.

4) MCH programs, most of them managed by Catholic Relief Services, have a long but generally weak record in the Sahel. Evaluators have consistently failed to find a positive nutritional impact from these programs; this could be due either to the actual lack of nutritional impact or to methodological problems. Failure to show measurable results led to the closure of most MCH programs in the Sahel by the late 1980s. The MCH experience did show, however, that children under 2 are generally more likely to benefit nutritionally, and in a measurable way, from targeted feeding than are older children. It also showed that MCH education programs (as distinct from nutrition improvement programs) generally improved mothers' knowledge and practices about health and nutrition.

5) U.S. food aid supported only two school feeding programs in the Sahel, and information is available only on the larger one, carried out in Burkina Faso for over 30 years. Evaluators found evidence that this program had a positive impact on children's nutrition, attendance, and academic achievement. School feeding programs can have measurable, positive effects. But they can go on for perhaps too long a time if implementors neglect to develop an exit strategy or to define a finish line before starting them.

Angola's Failed Elections (PN-ABY-245)

A brief transition, incomplete demobilization, and no provision for power-sharing doomed Angola's first democratic elections, held in September 1992, and sent the country back into

civil war before the results were even tabulated.

This report begins by discussing the peace process that led to the 1992 elections. Flawed demobilization and an unfavorable social and economic climate all served to undermine the elections. The report discusses the steps taken to carry out the elections, including the role of the international community in facilitating the election process. The results of the election are covered, as well as their consequences. Lessons learned are provided.

'Partidocracia' Comes to El Salvador (PN-ABY-246)

Among the domestic causes of the Civil War of 1980-92, the most serious were a repressive political system, gross inequality in the quality of life, and the inability to manage conflict through political institutions under the rule of law. This report provides a brief summary of some of the major events that took place during the 12-year civil war. It discusses the role of the electoral process and the international community in bringing about political reform in El Salvador.

Ethiopia's Troubled Course To Democracy (PN-ABY-247)

In 1974, Ethiopia underwent a revolution, changing, in a relatively bloodless coup, from an imperial to a Marxist state. The new regime's repressive policies failed, however, bringing about its overthrow and calls for popular government. Ethiopia has found the road to democracy a rocky one, with elections in 1992 actually perpetuating a system of single-party rule.

This report covers some of the issues that have been at the root of conflict in Ethiopia in modern times; the definition of Ethiopia itself. The events leading up to the 1992 elections are discussed, as well as the country's electoral institutions and processes. The report finishes by discussing the aftermath of the 1992 election and follows with lessons learned and recommendations.

Mozambique's Vote for Democratic Governance (PN-ABY-248)

One of the world's poorest countries, Mozambique emerged in October 1992 from a 16-year civil war. The war displaced 4 million Mozambicans and caused 1.7 million more to flee to neighboring countries. War ravaged Mozambique's infrastructure and economy, leaving the country divided and in ruins. Elections in 1994, supervised by a United Nations peacekeeping operation, capped a two-year transition from war to peace. Run in close con-

junction with the international community, the elections laid the groundwork for long-term democratic development.

Nicaragua's Measured Move To Democracy (PN-ABY-249)

Economic woes, a populace weary of war, and a changing world scene helped bring free elections to Nicaragua. International aid facilitated the process.

This report covers the elections of 1990. The role of the international community in facilitating the elections is discussed, as well as the actual conduct and outcome of said elections. The consequences of the elections on the executive branch, representative bodies, electoral authorities, local authorities, judiciary, and civic organizations are discussed, as well as their effect on demobilization and resettlement, repatriation of refugees, return of internally displaced persons and ethnic, religious, and regional cleavages. Conclusions and lessons learned are provided.

FY98 Evaluations

From Bullets to Ballots: Electoral Assistance To Postconflict Societies (PN-ACA-900)

This study presents the findings, conclusions, and lessons learned of USAID-commissioned evaluations, prepared by eminent scholars, of postconflict elections held in six countries: Angola, El Salvador, Ethiopia, Mozambique, Nicaragua (see PN-ABY-245 through -249), and Cambodia (PN-ACA-903).

In all six cases, the elections, for which the international community provided major technical, logistic, and financial support (in Ethiopia, support was far less), were held under very difficult technical and political conditions. All were the result of a peace agreement after a civil war, but only in El Salvador and Mozambique was demobilization of the opposing armies—an essential condition for elections—completed. Voter registration, besides being difficult technically, was also a bone of contention, and violence and intimidation of

candidates occurred in all six countries, more so prior to the voting than on voting day itself. However, electoral fraud did not pose much of a problem, or at least it went unreported. Voter turnout was universally high, ranging from 85 percent in Nicaragua to 92 percent in El Salvador, a fact that is even more impressive given that voters often had to walk long distances and then face long delays owing to the inexperience of polling station officials.

Technically, the elections were a success, except possibly in Ethiopia, where the role of the observers was limited to confidence-building; the other five elections were accepted by the international community as reasonably “free and fair.” At the same time, the observers reported irregularities in all the elections, though their nuanced statements were often ignored by the media and even by foreign governments and international organizations. Politically, the elections in El Salvador and Nicaragua succeeded. Those in Angola and Ethiopia, by contrast, seem to have failed. The former precipitated a civil war, and in the latter the withdrawal from the elections of the major opposition parties owing to the government’s recalcitrance resulted in one-party rule. In Mozambique, the formal political outcome was positive, but the high level of international intervention raises questions about the country’s will and technical capacity for sustaining democracy. Cambodia is in a shifting and uncertain situation. In all cases, the political parties’ commitment to a democratic transition remained weak.

The elections resulted in many benefits, however. They not only educated the public in democracy, but helped establish elected governments, a reality previously unknown in these countries. In addition, the elections helped create minimal institutional structures for the functioning of pluralistic democracies, most notably political parties (some of which had been politico-military movements), NGOs that promote democracy and human rights, and free media. The elections also helped build or strengthen the institutional infrastructure for elections: new legislation, autonomous or semiautonomous national election commissions, voter registries, and technical electoral expertise.

International involvement was a critical factor in the success of the elections; without it, the elections would not have been held in Angola, Cambodia, and Mozambique. Other key factors included the presence (in the two Central American countries) or absence (in the other four) of democratic traditions, and especially of participatory social institutions; ethnic divisions, which existed in at least four countries (Ethiopia, Angola, Mozambique, and Cambodia); and the expectation that democratic stability would promote economic growth and alleviate poverty.

Postelection reconciliation has varied. El Salvador, Mozambique, and Nicaragua have made significant progress toward reconciliation. In Ethiopia, the peace pact was not respected and fighting resumed; today the country enjoys peace, but without reconciliation. In Angola, the losing party tried to

recapture power through renewed fighting, but the elected government has held its position. In Cambodia, the Khmer Rouge, which refused to participate in the elections, remains committed to a violent overthrow of the government, and the breakup of a fragile coalition and a coup resulting in a change of prime ministers has resulted in a confused situation. A lesson learned is that forging ahead with elections when the military option is still open is counterproductive. Finally, the countries differ widely in the extent to which political dialog between the opposing factions has continued after the elections. In Angola, mutual distrust has not lessened and relations have been minimal and formal. By contrast, in Nicaragua, opposition parties constantly negotiate with the ruling party to resolve conflicts.

The following are included among the lessons learned: 1) In Angola, Cambodia, and Ethiopia, unrealistic time frames for holding the elections made it impossible to complete all the preliminaries needed for the elections. 2) The high price tag for international assistance for postconflict elections suggests a need to cut costs. 3) The success of elections requires both political and technical preconditions. International assistance can help bring these about but cannot substitute for them. 4) Premature elections in post-conflict societies can be counterproductive. If the countries are highly polarized and socially fragmented, elections can lead to further polarization. (Includes recommendations and references.)

Food Aid in Honduras: Program Has Become A Model For Development (PN-ACA-901)

Over the past four decades, basic social indicators in this traditional rural society have improved dramatically. Child mortality has plummeted, food security has risen, and access to water and sanitation has progressed dramatically. Although much food aid during the 1980s was dissipated to maintain the status quo, PL 480 assistance has generally supported economic development. In sum, the USAID/Honduras program is a model for effective use of food aid and its integration with other development tools.

Assisting Legislatures In Developing Countries: A Framework For Program Planning And Implementation (PN-ACA-902)

From July 1995 to March 1996, CDIE conducted case studies on recent donor efforts to strengthen legislatures of five developing countries diverse in terms of geography and development program strategy: Bolivia, El Salvador, Nepal, Poland, and the Philippines. This report synthesizes the results of those studies and outlines a framework for future programming. Individual sections of the report examine the diverse program approaches adopted by USAID as well as the most frequent

categories of assistance, the importance of the legislature's function and political context, assistance objectives, host country partners, and lessons learned. The studies found that each of the country programs was well conceived and well implemented and helped to improve legislative performance. However, legislatures are the most political of governmental institutions, and donors' efforts can be weakened or even nullified by the electoral process, shifts in institutional leadership, and sudden social or cultural changes. Many with extensive experience in the development arena hesitate to get involved in this type of assistance, reflecting a long-standing donor aversion to entanglement in politics. For these reasons, legislative assistance may be ill suited for some USAID Missions and other donors.

The studies suggest a framework to help practitioners determine a legislature's suitability for assistance:

- 1) At the planning stage, seek and maintain broad-based support, remember that countries with established democratic legislature are generally more open to assistance than those in failed or pre-democratic states, and consider using pilot activities in testing a country's receptivity to assistance.
- 2) At the design stage, examine the legislature's needs holistically, being careful to address the role of legislators and staff, the legislature's relationship with other branches of government and with the public, and providing training in the use of computer equipment when it has been supplied. Also, emphasize enhancement of the legislature's role in

the budget process, provide training in the United States and neighboring countries with similar legislatures, and support the legislature's partners, such as advocacy and public awareness groups, since they are critical to the legislature's transparency and responsiveness.

- 3) In the area of management, use low-key, nonpartisan approaches to minimize risks in politically sensitive situations; distribute benefits (e.g., training, travel, and equipment) evenly among parties and factions; modify program strategy or activities based on periodic assessments of progress and risks; establish an independent internal analytical capability; and challenge existing attitudes that undermine an effective democratic legislature.

Postwar Cambodia's Struggle With Democracy (PN-ACA-903)

In May 1993, under a firm UN presence, Cambodia held the first "free and fair" elections in its history. However, Cambodia has had no experience in political toleration or compromise. Four years after the elections, the country appears to be stumbling, with no clear view to the future.

This report provides a brief history of the events leading up to the 1993 elections. It also gives an account of the United Nations electoral assistance in Cambodia and the consequences of the elections for democracy, governance, and reconciliation. Strategic and technical lessons are provided, along with recommendations.

Democratic Decentralization In Mali: A Work in Progress (PN-ACA-905)

Even before the decentralization initiatives undertaken in Mali in the aftermath of the 1991 revolution, USAID was laying the groundwork for decentralization in the country by supporting economic liberalization and localized health care programs. Since 1991, USAID has fully supported decentralization in Mali, funding the activities of mobilization groups in Kayes, Segou, and Sikasso, as well as training seminars in local finance.

Today this support continues. USAID/Mali devotes considerable resources to strengthening local institutional capacity and democratic governance through, in part, the very successful Urban Revitalization Project. This project is one of the first to use a PVO-NGO-neighborhood model, also used by the Mission in other programs such as its basic education program, which supports decentralization. In addition, the Mission has helped the Malian Ministry of Education, among the most centralized government agencies, reorganize itself toward the promotion of decentralization and local autonomy; worked to bolster civil society in villages and improved networks between villages; and, in conjunction with the U.S. Information Agency (USIA), supported civic education through media development. In fact, some of the new enterprises that grew out of the loosening of press restrictions have stayed afloat owing to USAID-USIA support. Seventy-seven private rural radio stations, the first in

West Africa, are among the most promising Mission-supported civic education innovations. But before decentralization becomes a reality, Malians will have to resolve some difficult political issues and overcome some historical and cultural factors. Chief among these is a scarcity of financial resources, bureaucratic resistance from state-appointed administrators and the Ministry of Territorial Affairs, and widespread public skepticism and mistrust of the national government—all coupled with a dependency reflex resulting from massive donor assistance during the food shortages in the 1970s and 1980s. In addition, land use issues will be difficult to resolve, as will the relationships between levels of government, traditional leaders, and elected officials.

Lessons applicable to similar programs in other democratizing countries are as follows: 1) Capitalize on government commitment; political will has been intrinsic to Mali's success in decentralization and remains the single most important factor for its continued success. 2) Support the creation of an independent decentralization office; the Malian government's Mission for Decentralization has been the driving force behind the country's decentralization program. The Mission's success underscores the importance of a strong, independent institution in charge of decentralization, under the direct supervision of the country's president or prime minister. 3) Involve people in the decentralization effort. As a result of USAID's efforts in the area of community participation, Malians everywhere are now stakeholders in decentraliza-

tion, and an unprecedented dialog between government and governed has been spurred, which may improve a long-standing antagonistic relationship. 4) Use local leaders, who are more credible on the local level, to bear the message of decentralization. At local and regional group meetings, local speakers were able to calm tempers and refocus discussions in ways that central government bureaucrats were not. 5) Use local media to promote public awareness and involvement. In Mali, where there is widespread illiteracy, private local radio stations are including traditionally excluded groups, including women, in the political arena. 6) Take advantage of the cultural context. Mali's cultural heritage offers numerous opportunities for decentralization; villages, for example, have a rich associational life and strong interpersonal networks.

Scientific Cooperation and Peace Building: A Case Study of USAID's Middle East Regional Cooperation Program (PN-ACA-907)

The Middle East Regional Cooperation Program (MERC) underwrites scientific and technical cooperative projects between Israel and its Arab neighbors. Underlying the program is the premise that the joint pursuit of science and technology will create an intellectual climate and institutional structures conducive to the peace process. MERC has supported projects in health, education, agriculture, mariculture, and the environment.

This case study discusses how the MERC program has contributed to the peace process. Limitations and factors

affecting program performance are discussed as well as policy lessons for future programs in conflict resolution. It was found that a third party with friendly relations with both countries was effective in stimulating cooperation that otherwise may not have occurred.

Democratic Local Governance in Honduras (PN-ACA-908)

Honduras has experienced significant advances in democratic local governance in the present decade. Whereas formerly, the central government controlled all aspects of local government, many municipalities are now successfully managing city services, setting their agendas, and increasing their resource bases. For the first time, citizens are able to elect their mayors directly and participate in local government by voicing their opinions and advancing proposals in open town meetings. This transformation was spurred by the 1990 Municipal Reform Law, granting autonomy to the nation's 297 municipalities, and by the related electoral reforms of 1993.

USAID/Honduras has been involved at every stage of this process of decentralization, supporting the passage and implementation of the 1990 Municipal Reform Law with the Municipal Development project (MDP); supporting FUNDEMUN and UNITEC, NGOs that have helped increase local officials' administrative capacities and ability to provide public services; and strengthening AMHON, a private association of mayors, as the single most effective organization in promoting the interests of municipalities on a national

level. However, challenges remain. These include continued bureaucratic and political resistance to decentralization, the need to integrate the principles of democratic decentralization into Honduras's political culture, and the need to increase media support for decentralization and ensure the sustainability of FUNDEMUN, UNITEC, and AMHON. Finally, progress to date has occurred in larger, more populous municipalities rather than in the more than 250 small municipalities, many of which were left untargeted by the MDP.

Three of the more significant lessons emerging from the experience of USAID/Honduras are as follows:

- 1) Legal frameworks and strong political leadership are essential to the success of decentralization. Honduras's success with decentralization would never have occurred without the 1990 and 1993 legislative developments and the support of Presidents Callejas and Reina.
- 2) With over 20 years' experience in municipal development, USAID had at its immediate disposal a cadre of trained professionals who could implement the Municipal Development project in a highly effective manner. This cadre will continue to be an important factor in the continued expansion of democratic local governance in Honduras.
- 3) Targeting assistance involves difficult choices. The MDP selected municipalities with the greatest potential for success, imposing rigorous compliance standards for continued assistance. While this strategy yielded some significant successes, it left unanswered the question how to make democratic local governance a reality in smaller, poorer, and more isolated municipalities.

After the War Is Over, What Comes Next? Promoting Democracy, Human Rights, And Reintegration In Postconflict Societies (PN-ACB-979)

In October 1997, USAID held an international conference in Washington on Promoting Democracy, Human Rights, and Reintegration in Postconflict Societies. In attendance were more than 300 policymakers, experts, and scholars representing bilateral and multilateral organizations, the PVO community, and academic institutions. The conference provided a forum for participants to evaluate the role of international assistance in postconflict societies and synthesize the lessons learned. Panel discussions were held on seven major themes related to the postwar political transition from authoritarian regime to fledgling democracy: refugee repatriation and resettlement; security sector reforms, with emphasis on the demobilization and reintegration of ex-combatants; postconflict elections and democratization; community-level peace building in the economic, political, and social sectors; institutionalizing human rights capacity and redressing human rights abuses through war tribunals, truth commissions, and international human rights monitoring; case studies of democracy and civil society promotion efforts; and the Development Assistance Committee report on conflict, peace, and development cooperation. This compendium includes the 14 papers presented in the conference, which are available separately (see PN-ACD-083 through PN-ACD-096), along

with the speeches by the Secretary of State and the USAID Administrator and remarks by senior USAID personnel who organized the conference.

From Bullets to Ballots: A Summary of Findings From Six Postconflict Election Studies (PN-ACD-084)

The international community has played a central role in postconflict elections. Large gaps exist in our understanding of the effectiveness of electoral assistance programs in war-torn societies, and of, above all, the impact of postconflict elections on the consolidation of peace on further democratization. In order to narrow the existing gap, reports were produced on elections in Angola, Cambodia, El Salvador, Ethiopia, Mozambique, and Nicaragua. The reports attempted to answer the following questions:

Planning and conduct of evaluations. Who took the initiative for elections? What were the objectives and expectations? How were the elections planned and conducted? What problems attended the planning and implementation processes? What were the results of the elections? How were they perceived and accepted by the contending parties?

International assistance. What was the nature of international assistance? How did the assistance affect the conduct and outcome of elections? What problems did the international community encounter in delivering its assistance?

Effects of postconflict elections on democratization and reconciliation. How did elections promote or hinder these processes? What factors and conditions affected the impact of elections on democratization and reconciliation processes?

In September 1997, USAID completed its first Strategic Plan. In it, the Agency identified 6 strategic development goals, with 22 contributing objectives, for guiding its work in the developing world (see figure A.1).

USAID's *Strategic Plan* also selected a limited number of performance goals and indicators to track and report on progress in each of the six Agency goal areas. Performance goals translate the Agency's goals into specific long-term targets or trends to be achieved by USAID and its development partners over the next decade or more. Matrix 1 lists these Agency performance goals and indicators and relates each of them to the appropriate Agency goal and (where possible) objective. These performance goals and indicators are largely consistent with development targets and indicators established in *Shaping the 21st Century: The Role of Development Cooperation*, a May 1996 publication of the Development Assistance Committee of the Organization for Economic Cooperation and Development.

These broad development goals and targets can be viewed as a framework that directs the efforts of the development assistance community toward a number of significant challenges. USAID has expended considerable effort to achieve wide consensus on this framework. To date, major elements of the framework have been adopted by the DAC/OECD and have been the focus of G-8 discussions, most recently at the Birmingham G-8 summit. The framework increasingly represents group agreement. It also highlights the

necessity of working collaboratively with other donors, implementing partners, recipient governments, and the ultimate beneficiaries themselves if these strategic goals and targets are to be achieved.

The framework informs strategic choices. Analyzing how countries and regions compare to the framework's goals and targets suggests where and on which specific sectors the Agency might focus its efforts. For example, resource allocations among countries might be influenced by indicator data showing comparative need and progress. Similarly, such data can inform decisions concerning when countries might graduate from sectoral assistance, by demonstrating they have met or surpassed specific thresholds, benchmarks, or targets. The framework is less useful for reporting outputs and immediate results directly attributable to USAID expenditures and activities. Clearly, the challenging performance goals established in the Strategic Plan require the collaborative efforts of the whole development community, and cannot be accomplished by USAID alone.

USAID has developed a country development trends database with time-series data for each of those indicators for all countries. The purpose of the database (the source of the tables presented in this annex) is to monitor, analyze, and report on country development progress and trends in the six Agency goal areas. The database provides easy access by Agency users, giving them options for graphics, data analysis, and tables for reporting on

ANNEX

C

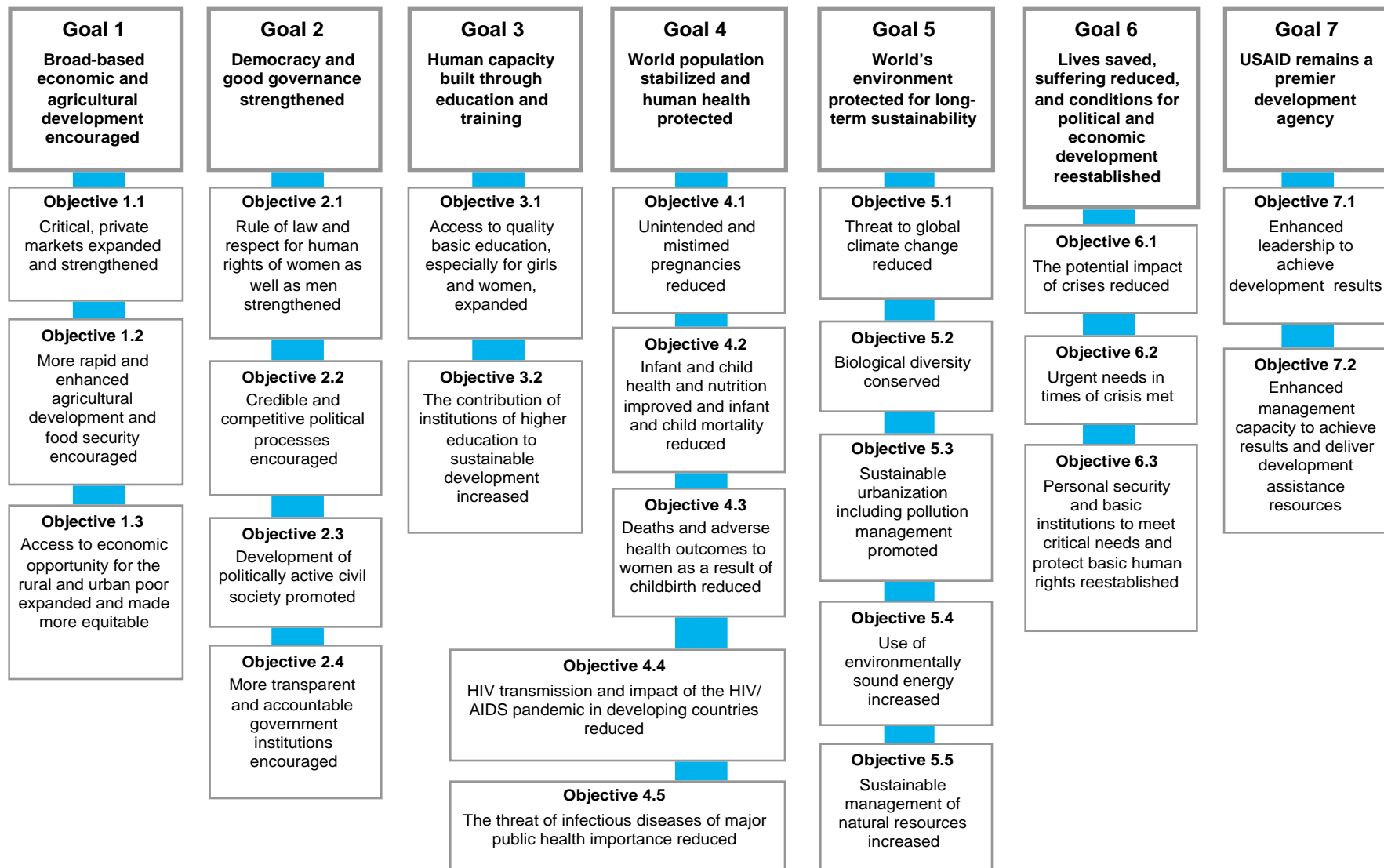
COUNTRY DEVELOPMENT TRENDS

performance. To aid comparative analysis, the database includes data not only for all USAID-assisted countries but also for non-USAID-assisted developing countries and for high income countries as well. Data are from international sources that are relatively comparable across time and countries.

Although considerable effort and care have gone into selecting the indicators and searching for reliable data sources, problems remain with data quality,

coverage, and timeliness. Some of the indicators are at best proxy (indirect) measures for their performance goals. Country coverage is spotty for a number of the indicators, for example, those reporting on poverty, education, and refugee conditions. A lack of regular and timely data updates is another common problem with many of these indicators. Data may be collected only every few years for some indicators and are often two to three years out of date.

Figure A.1
USAID Strategic Plan



The Matrices

Matrices A.1, A.2A, and A.2B provide the basis for the data presented in the statistical tables. Matrix A.1 presents the Agency goals and their indicators, organized into the six development goal areas. Where possible, they are also organized according to the specific Agency objective to which they most closely relate. In some cases, a performance goal and indicator can be associated only with an Agency goal, but not with a specific objective. Moreover, not all Agency objectives have performance goals and indicators related to them. As work on the framework progresses, this should be rectified. Matrix A.1 is based on the Agency Strategic Plan and on revisions made in the *Annual Performance Plan* for FY2000

Matrices A.2A and A.2B present various classifications for each of the USAID-assisted countries. For example, they show the USAID bureau, as well as World Bank geographic regions and income groups to which each USAID-assisted country belongs. Moreover, they show whether a country has significant USAID programs (i.e., strategic objectives) that contribute to each of the Agency goals and objectives. Countries are listed in matrices A.2A and A.2B if they have received actual obligations (greater than \$500,000) in FY97 of Development Assistance (DA), Economic Support Funds (ESF), Special Assistance Initiative/New Independent States (SAI/NIS), or PL 480 (Title II or III). Those countries receiving only PL 480 funds are flagged in matrices A.2A and A.2B (since they are excluded from tables 1 through 5, but included in table 6).

The Statistical Tables

The statistical tables use the country classifications from Matrices A.1, A.2A, and A.2B to show development trends in countries that receive USAID assistance.

Each of the six goal areas consists of three tables with suffixes, labeled A through C, except goal 6, which includes C but merges A and B.

The first two tables for each goal area (A and B) show country aggregations (averages) in both weighted and unweighted terms. Where possible, summary data included in tables with an "A" suffix are weighted. Each country's indicator value is assigned a respective weight appropriate for that specific indicator. For example, country rates for maternal mortality are assigned weights using the number of live births for that country. Brazil's rate would therefore affect the aggregated rate because of the relative high level of births in Brazil versus countries with smaller numbers of births. The indicators used for calculating weighted aggregates are identified in the goal area table notes. Tables labeled with a "B" suffix present summary data calculated as straight averages that assign equal weight to all reporting countries. Summaries in tables A and B are based only on the countries where there were available data. For a few indicators (total land area under national protection, total forest area, and total number of people displaced by open conflict) aggregates are simply totals of the indicators and are not weighted.

Because of missing data, what is reported in the aggregate tables (A and B) should be taken as approximations. Tables labeled B show the percent of USAID-assisted countries with missing data.

Tables labeled C display country-level indicator data for each of the USAID-assisted countries. For goal areas 1–5 (tables A.1–A.5, with the “C” suffix), the USAID-assisted countries are defined as those receiving actual obligations above \$500,000 in FY1997 from DA, ESF, or SAI/NIS accounts. However, for goal area 6, table A.6C, the USAID-assisted countries also include those countries that receive PL 480 funds only⁵.

A number of the indicators are growth rates, calculated as annual averages and presented as percentages. Currency value growth rates are computed from constant price or real value series, where possible. In most cases, growth rates are calculated by a least-squares recession analysis. Population growth rates are calculated with an exponential growth rate regression analysis.

Definitions of Summary Table Aggregates

These summary tables (A and B of tables A.1–A.6) report indicator aggregates (averages, or in some cases totals) for USAID-assisted countries and other country groupings based on income, geography, and special categories relevant to the Agency’s organization and interests. These have been prepared for comparative purposes, so one can see at a glance which country groupings are most advanced and which are least advanced, which are

progressing faster and which slower. Following are definitions of each of the country groupings found in the summary tables.

USAID-Assisted Countries. For the Agency goals 1 through 5 (tables A.1–A.5), countries are considered to be recipients of USAID assistance if they were obligated funds from any of the following accounts during fiscal year 1997: Economic Support Funds, Development Assistance, or Special Assistance Initiative/New Independent States. Countries where total assistance from these three accounts was less than \$500,000 and countries that received assistance from PL 480 accounts exclusively (Title II and Title III) were omitted from this group. However, for Agency goal 6—humanitarian assistance—it was considered appropriate to also include those countries that received only PL 480 funds.

USAID-Assisted Countries by Bureaus. USAID-assisted countries, as defined earlier, are organized into four regional bureaus, the Bureau for Africa (AFR), Asia and the Near East (ANE), Europe and the New Independent States (ENI), and Latin America and the Caribbean (LAC).

USAID-Assisted Countries in Postconflict Transition and Sustainable Development Countries. For purposes of policy, strategic planning, and reporting progress, USAID finds it useful to categorize USAID-assisted countries that are in postconflict transitions. Postconflict transitions refer to general periods of change when a country is moving from a period of instability to stability (or vice versa). The Agency is most interested in those countries in which conflict is a current

or relatively recent threat to social and economic progress. The determination of which USAID-assisted countries meet this definition has been made during PPC and regional bureaus consultations. The remaining USAID-assisted countries not classified as postconflict transition countries, are for the most part sustainable development countries, although they may also include a few “other transition” countries.

USAID-Assisted Countries With Contributing Programs. This group is the subset of USAID-assisted countries in which the Agency has significant programs (i.e., strategic objectives) that contribute to the specific USAID goal or objective in question. The countries that comprise any given subset will vary from goal to goal and from objective to objective. For example, in summary table A.4A, the total fertility rate for USAID-assisted countries with contributing programs would be the weighted average of those countries with strategic objectives or programs that contribute to Agency objective 4.1: reduced pregnancies. In the same table, the under-5 mortality rate for USAID-assisted countries with contributing programs would be the weighted average of a different set of countries—those with programs contributing to Agency objective 4.2: improved child health and nutrition. Matrices A.2A and A.2B identify the countries in each of these subsets.

Non-USAID-Assisted Developing Countries. These are developing

countries that did not receive actual USAID obligations during FY97 of any amount from any funding account. They exclude low-funded (less than \$500,000 in FY97) USAID-assisted countries, high-income countries as defined by the World Bank, and those with populations below 1 million.

All Countries. This includes all countries of the world with populations over 1 million for which there are data, including all regions and income levels regardless of whether they are USAID-assisted.

All Countries by Income Groups. All countries are categorized according to their income group (per capita GNP range). The income group definitions used here are from the World Bank’s *World Development Indicators, 1998*. Low-income countries had a 1996 per capita GNP of \$785 or less, lower middle income countries were between \$786 and \$3,115, upper-middle-income countries were between \$3,116 and \$9,635, and high-income countries had a per capita GNP greater than \$9,635.

Developing Countries by Geographic Regions. Developing countries include all countries except the high-income countries. Based on World Bank categories in *World Development Indicators, 1998*, they are classified by geographic regions: East Asia and the Pacific, Europe and Central Asia, Latin America and the Caribbean, Middle East and North Africa, South Asia, and sub-Saharan Africa.

Matrix A.1. Agency Performance Goals and Indicators

Agency Goal 1: Broad-based economic growth and agricultural development encouraged

Goals and Objectives	Performance Goals	Indicators
Related to Agency goal-level	Average annual growth in per capita income above 1% achieved	GNP per capita average annual growth rate
	Reliance on foreign aid in relatively advanced (middle income) countries diminished	Aid as a percent of GNP
Objective 1.1: Critical, private markets expanded and strengthened	Openness and greater reliance on private markets increased	Average annual growth rates of exports and imports Economic Freedom Index
Objective 1.2: More rapid and enhanced agricultural development and food security encouraged	Average annual growth in agriculture at least as high as population growth in low income countries	Difference between average annual growth rate of agriculture and average annual growth rate of population
Objective 1.3: Access to economic opportunity for the rural and urban poor expanded and made more accessible	Proportion of the population in poverty reduced by 50% by 2015	Percent of population in poverty (less than \$1 per day)

Agency Goal 2: Democracy and good governance strengthened

Goals and Objectives	Performance Goals	Indicators
Related to Agency goal-level	Level of freedom and participation improved	Country freedom index classification as free/partly free/not free
Objective 2.1: Rule of law and respect for human rights of women as well as men strengthened	Civil liberties improved	Country composite scores for civil liberties
Objective 2.2: Credible and competitive political processes encouraged	Political rights improved	Country composite scores for political rights
Objective 2.3: The development of politically active civil society promoted	Civil liberties improved	Country composite scores for civil liberties
Objective 2.4: More transparent and accountable government institutions encouraged	None	None

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Matrix A.1. Agency Performance Goals and Indicators *(continued)*

Agency Goal 3: Human capacity built through education and training

Goals and Objectives	Performance Goals	Indicators
Objective 3.1: Access to quality basic education, especially for girls and women, expanded	National primary enrollment increased to attain full primary enrollment by 2015	Percent of primary school-age population enrolled; percent of primary cohort reaching fifth grade
	Difference between girls' and boys' primary enrollment rates eliminated	Ratio of female/male net enrollment rates
Objective 3.2: The contribution of institutions of higher education to sustainable development increased	Higher education interinstitutional partnerships formed to respond to development problems	Number of higher education interinstitutional partnerships

Agency Goal 4: World population stabilized and human health protected

Goals and Objectives	Performance Goals	Indicators
Objective 4.1: Unintended and mistimed pregnancies reduced	Total fertility rate reduced 20% by 2007	Total fertility rate
Objective 4.2: Infant and child health and nutrition improved and infant and child mortality reduced	Mortality rate for infants and children under age five reduced by 25%	Under-5 mortality rate Percent of children under 5 underweight
Objective 4.3: Deaths and adverse health outcomes of women as a result of pregnancy and childbirth reduced	Percent of births attended by medically trained personnel increased 15% by 2007 (as a proxy for reduced maternal mortality)	Percent of births attended by medically trained personnel Maternal mortality rate Neonatal mortality rate
Objective 4.4: HIV transmission and the impact of the HIV/AIDS pandemic reduced	Percent reported condom use in casual relations increased to 65% for males and 80% for females by 2001 (as a proxy for rate of increase of new annual HIV/AIDS infections)	HIV prevalence rate Percent condom use with nonregular partner
Objective 4.5: The threat of infectious diseases of major public health importance reduced	Deaths from infectious disease of major health importance reduced 10% by 2007	Number of cases of malaria and tuberculosis reported per 100,000 population

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Matrix A.1. Agency Performance Goals and Indicators *(continued)*

Agency Goal 5: The world's environment protected for long-term sustainability

Goals and Objectives	Performance Goals	Indicators
Related to Agency goal-level	Host governments committed to sound national and international environment strategies	National environmental strategies prepared
Objective 5.1: Threat of global climate change reduced	Threat of climate change reduced	Carbon dioxide (CO ₂) emissions per capita, per \$GDP, and average annual growth rate
Objective 5.2: Biological diversity conserved	Conservation of biologically significant habitats improved	Nationally protected area
Objective 5.3: Sustainable urbanization including pollution management promoted	Urban population's access to adequate environmental services improved	Percent of urban population with access to safe drinking water and to sanitation services
Objective 5.4: Use of environmentally sound energy services increased	Energy conserved through increased efficiency and reliance on renewable sources	GDP per unit of commercial energy use
Objective 5.5: Sustainable management of natural resources increased	Deforestation rate in tropical forests reduced and management of natural forests and tree systems improved	Average annual change in total forest area

Agency Goal 6: Lives saved, suffering associated with natural or man-made disasters reduced, and conditions necessary for political or economic development reestablished

Goals and Objectives	Performance Goals	Indicators
Objective 6.1: The potential impact of crises reduced (crisis prevention)	None	None
Objective 6.2: Urgent needs in times of crises met	Crude mortality rate for refugee populations returned to normal range within six months after onset of emergency situation	Crude mortality rate in emergency situations
	Nutritional status of children age 5 and under made vulnerable by emergencies maintained or improved	Percent of children under 5 who are wasted
Objective 6.3: Personal security and basic institutions to meet critical intermediate needs and protect basic human rights reestablished	Conditions for social and economic development in postconflict situations improved	Number of people displaced by open conflict
	Freedom of movement, expression, assembly and economy in postconflict situations increased	Number of transition countries classified as free/partly free/not free

Matrix A.2A

USAID-Assisted Country Classification^a

		Countries with Programs Contributing to:								
		Goal 1	Goal 2	Goal 3	Goal 4	Goal 5	Goal 6			
Country	USAID Bureau	Economic Growth Encouraged	Democracy & Governance Strengthened	Human Capacity Development	Population Stabilized & Health Protected	Environment Protected	Lives Saved, Suffering Reduced & Transitions Supported	Post-conflict Transition	Geographic Region	
Afghanistan <i>PL 480 Only</i>	ANE							■	South Asia	Low Income
Albania	ENI	■	■		■				Europe and Central Asia	Lower Middle
Angola	AFR	■	■				■	■	Sub-Saharan Africa	Low Income
Armenia	ENI	■	■			■	■		Europe and Central Asia	Low Income
Azerbaijan	ENI	■	■				■	■	Europe and Central Asia	Low Income
Bangladesh	ANE	■	■		■				South Asia	Low Income
Benin	AFR		■	■	■				Sub-Saharan Africa	Low Income
Bolivia	LAC	■	■	■	■	■			Latin America & the Caribbean	Lower Middle
Bosnia	ENI							■	Europe and Central Asia	Low Income
Brazil	LAC		■		■	■			Latin America & the Caribbean	Upper Middle
Bulgaria	ENI	■	■			■	■		Europe and Central Asia	Lower Middle
Burkina Faso <i>PL 480 Only</i>	AFR								Sub-Saharan Africa	Low Income
Burundi	AFR							■	Sub-Saharan Africa	Low Income
Cambodia	ANE	■	■	■	■	■	■	■	East Asia and the Pacific	Low Income
Cape Verde <i>PL 480 Only</i>	AFR								Sub-Saharan Africa	Lower Middle
Chad <i>PL 480 Only</i>	AFR								Sub-Saharan Africa	Low Income
Cote d'Ivoire <i>PL 480 Only</i>	AFR								Sub-Saharan Africa	Low Income
Croatia	ENI	■	■				■	■	Europe and Central Asia	Upper Middle
Cyprus	ENI								Other High Income	High Income
Dominican Republic	LAC	■	■	■	■	■			Latin America & the Caribbean	Lower Middle
Ecuador	LAC	■	■		■	■			Latin America & the Caribbean	Lower Middle
Egypt	ANE	■	■	■	■	■			Middle East & North Africa	Lower Middle
El Salvador	LAC	■	■	■	■	■		■	Latin America & the Caribbean	Lower Middle
Eritrea	AFR	■	■		■				Sub-Saharan Africa	Low Income
Ethiopia	AFR	■	■	■	■	■	■		Sub-Saharan Africa	Low Income
Gambia <i>PL 480 Only</i>	AFR								Sub-Saharan Africa	Low Income
Georgia	ENI	■	■		■	■	■	■	Europe and Central Asia	Lower Middle
Ghana	AFR	■	■	■	■				Sub-Saharan Africa	Low Income
Guatemala	LAC	■	■	■	■	■		■	Latin America & the Caribbean	Lower Middle
Guinea	AFR	■	■	■	■	■			Sub-Saharan Africa	Low Income
Guinea-Bissau	AFR	■							Sub-Saharan Africa	Low Income
Guyana	LAC	■	■						Latin America & the Caribbean	Low Income
Haiti	LAC	■	■	■	■	■		■	Latin America & the Caribbean	Low Income
Honduras	LAC	■	■	■	■	■			Latin America & the Caribbean	Low Income
Hungary	ENI	■	■	■		■			Europe and Central Asia	Upper Middle

Matrix A.2A
USAID-Assisted Country Classification^a

Country	USAID Bureau	Countries with Programs Contributing to:						Post-conflict Transition	Geographic Region	
		Goal 1	Goal 2	Goal 3	Goal 4	Goal 5	Goal 6			
		Economic Growth Encouraged	Democracy & Governance Strengthened	Human Capacity Development	Population Stabilized & Health Protected	Environment Protected	Lives Saved, Suffering Reduced & Transitions Supported			
India	ANE	■	■	■	■	■		South Asia	Low Income	
Indonesia	ANE	■	■		■	■		East Asia and the Pacific	Lower Middle	
Iraq <i>PL 480 Only</i>	ANE						■	Middle East & North Africa	Lower Middle	
Ireland	ENI							High Income OECD	High Income	
Israel	ANE							Other High Income	High Income	
Jamaica	LAC	■		■	■	■		Latin America & the Caribbean	Lower Middle	
Jordan	ANE	■			■	■		Middle East & North Africa	Lower Middle	
Kazakhstan	ENI	■	■		■	■		Europe and Central Asia	Lower Middle	
Kenya	AFR	■	■		■	■		Sub-Saharan Africa	Low Income	
Korea, Dem. Rep. <i>PL 480 Only</i>	ANE							East Asia and the Pacific	Lower Middle	
Kyrgyzstan	ENI	■	■		■			Europe and Central Asia	Low Income	
Lebanon	ANE	■	■			■		Middle East & North Africa	Lower Middle	
Lesotho <i>PL 480 Only</i>	AFR							Sub-Saharan Africa	Low Income	
Liberia	AFR		■				■	Sub-Saharan Africa	Low Income	
Lithuania	ENI	■	■			■		Europe and Central Asia	Lower Middle	
Madagascar	AFR	■			■	■		Sub-Saharan Africa	Low Income	
Malawi	AFR	■	■	■	■	■		Sub-Saharan Africa	Low Income	
Mali	AFR	■	■	■	■	■		Sub-Saharan Africa	Low Income	
Mauritania <i>PL 480 Only</i>	AFR							Sub-Saharan Africa	Low Income	
Mexico	LAC		■		■	■		Latin America & the Caribbean	Upper Middle	
Moldova	ENI	■	■			■		Europe and Central Asia	Low Income	
Mongolia	ANE	■	■					East Asia and the Pacific	Low Income	
Morocco	ANE	■		■	■	■		Middle East & North Africa	Lower Middle	
Mozambique	AFR	■	■		■	■	■	Sub-Saharan Africa	Low Income	
Namibia	AFR	■	■	■		■		Sub-Saharan Africa	Lower Middle	
Nepal	ANE	■	■	■	■	■		South Asia	Low Income	
Nicaragua	LAC	■	■	■	■	■	■	Latin America & the Caribbean	Low Income	
Niger	AFR							Sub-Saharan Africa	Low Income	
Nigeria	AFR		■		■			Sub-Saharan Africa	Low Income	
Pakistan <i>PL 480 Only</i>	ANE							South Asia	Low Income	

Matrix A.2A USAID-Assisted Country Classification^a

		Countries with Programs Contributing to:								
		Goal 1	Goal 2	Goal 3	Goal 4	Goal 5	Goal 6			
Country	USAID Bureau	Economic Growth Encouraged	Democracy & Governance Strengthened	Human Capacity Development	Population Stabilized & Health Protected	Environment Protected	Lives Saved, Suffering Reduced & Transitions Supported	Post-conflict Transition	Geographic Region	
Panama	LAC					■			Latin America & the Caribbean	Lower Middle
Paraguay	LAC		■		■	■			Latin America & the Caribbean	Lower Middle
Peru	LAC	■	■	■	■	■			Latin America & the Caribbean	Lower Middle
Philippines	ANE	■	■		■	■			East Asia and the Pacific	Lower Middle
Poland	ENI	■	■						Europe and Central Asia	Upper Middle
Romania	ENI	■	■		■	■			Europe and Central Asia	Lower Middle
Russia	ENI	■	■			■			Europe and Central Asia	Lower Middle
Rwanda	AFR		■				■	■	Sub-Saharan Africa	Low Income
Senegal	AFR	■	■		■	■			Sub-Saharan Africa	Low Income
Serbia and Montenegro	ENI								Europe and Central Asia	Lower Middle
Sierra Leone <i>PL 480 Only</i>	AFR							■	Sub-Saharan Africa	Low Income
Slovak Republic	ENI	■	■		■	■			Europe and Central Asia	Upper Middle
Somalia	AFR	■	■			■	■	■	Sub-Saharan Africa	Low Income
South Africa	AFR	■	■	■	■	■			Sub-Saharan Africa	Upper Middle
Sri Lanka	ANE	■			■		■		South Asia	Low Income
Sudan <i>PL 480 Only</i>	AFR							■	Sub-Saharan Africa	Low Income
Tajikistan	ENI	■	■		■		■	■	Europe and Central Asia	Low Income
Tanzania	AFR	■	■		■	■			Sub-Saharan Africa	Low Income
Tunisia <i>PL 480 Only</i>	ANE								Middle East & North Africa	Lower Middle
Turkey	ENI								Europe and Central Asia	Lower Middle
Turkmenistan	ENI	■	■		■				Europe and Central Asia	Lower Middle
Uganda	AFR	■	■	■	■	■	■		Sub-Saharan Africa	Low Income
Ukraine	ENI	■	■			■	■		Europe and Central Asia	Lower Middle
Uzbekistan	ENI	■	■		■				Europe and Central Asia	Lower Middle
Vietnam	ANE								East Asia and the Pacific	Low Income
West Bank/Gaza	ANE	■	■			■		■	Middle East & North Africa	Lower Middle
Yemen <i>PL 480 Only</i>	ANE								Middle East & North Africa	Low Income
Zambia	AFR	■	■		■	■			Sub-Saharan Africa	Low Income
Zimbabwe	AFR	■	■		■	■			Sub-Saharan Africa	Low Income

^a Excludes countries where total assistance from ESF, DA, and SAI/NIS was less than \$500,000 for fiscal year 1997.

Matrix A.2B
USAID-Assisted Countries with Programs Contributing to Agency Objectives^a

Country	Strategic Objectives																						
	1.1	1.2	1.3	2.1	2.2	2.3	2.4	3.1	3.2	4.1	4.2	4.3	4.4	4.5	5.1	5.2	5.3	5.4	5.5	6.1	6.2	6.3	
Afghanistan <i>PL 480 Only</i>																							
Albania	■	■		■	■	■	■				■	■									■	■	
Angola	■				■	■	■															■	■
Armenia	■	■		■	■	■												■			■	■	■
Azerbaijan	■	■	■			■																■	■
Bangladesh		■	■	■	■	■	■			■	■	■	■	■									
Benin						■	■	■		■	■	■	■										
Bolivia	■	■	■	■	■		■	■		■	■	■	■			■	■						
Bosnia																						■	
Brazil				■						■	■		■		■	■		■	■				
Bulgaria	■	■	■	■		■	■										■		■		■		
Burkina Faso <i>PL 480 Only</i>																					■		
Burundi																							
Cambodia			■	■	■	■	■	■		■	■	■	■										■
Cape Verde <i>PL 480 Only</i>																							
Chad <i>PL 480 Only</i>																							
Cote d'Ivoire <i>PL 480 Only</i>																							
Croatia	■		■	■	■	■																	■
Cyprus																							
Dominican Republic	■		■	■	■	■	■	■		■	■	■	■					■	■				
Ecuador			■	■		■	■			■	■	■											
Egypt	■	■		■		■	■	■	■	■	■	■		■									
El Salvador	■	■	■	■	■	■	■	■		■	■	■	■										
Eritrea	■	■	■	■	■	■	■	■		■	■	■	■										
Ethiopia		■		■		■	■	■	■	■	■	■	■								■	■	
Gambia <i>PL 480 Only</i>																							
Georgia	■	■		■	■	■	■				■	■		■				■	■		■	■	■
Ghana	■	■	■	■	■	■	■	■		■	■	■	■										
Guatemala	■	■	■	■	■	■	■	■		■	■	■	■										
Guinea		■	■	■	■	■	■	■		■	■	■	■										
Guinea-Bissau	■	■	■	■																			
Guyana	■	■	■	■	■		■																
Haiti	■	■		■	■	■	■	■		■	■	■	■										
Honduras	■	■	■	■	■	■	■	■		■	■	■	■										
Hungary	■		■			■	■		■										■				

Matrix A.2B
USAID-Assisted Countries with Programs Contributing to Agency Objectives^a

Country	Strategic Objectives																					
	1.1	1.2	1.3	2.1	2.2	2.3	2.4	3.1	3.2	4.1	4.2	4.3	4.4	4.5	5.1	5.2	5.3	5.4	5.5	6.1	6.2	6.3
India	■	■	■	■				■		■	■	■	■		■		■	■				
Indonesia	■			■		■				■	■	■	■				■	■	■			
Iraq <i>PL 480 Only</i>																						
Ireland																						
Israel																						
Jamaica	■	■	■					■		■			■				■		■			
Jordan	■		■							■							■		■			
Kazakistan	■				■	■	■					■		■				■				
Kenya		■	■		■	■				■	■		■			■			■			
Korea, Dem. Rep. <i>PL 480 Only</i>																						
Kyrgyzstan	■				■	■	■					■		■								
Lebanon	■	■	■				■										■		■			
Lesotho <i>PL 480 Only</i>																						
Liberia					■	■																■
Lithuania	■	■	■			■	■										■	■				
Madagascar	■		■							■	■		■			■			■			
Malawi	■	■	■	■	■	■	■	■		■	■	■	■			■			■			
Mali	■	■	■			■	■	■		■	■		■						■			
Mauritania <i>PL 480 Only</i>																						
Mexico				■	■	■	■			■			■		■	■	■	■	■			
Moldova	■	■		■	■	■												■				
Mongolia	■			■	■	■	■															
Morocco	■	■	■					■		■	■	■					■	■	■			
Mozambique	■	■	■	■	■	■	■			■	■	■	■						■			
Namibia			■			■	■	■								■			■			
Nepal		■	■	■	■	■		■		■	■	■	■	■				■				
Nicaragua		■	■	■	■	■	■	■		■	■	■	■			■			■			
Niger																						
Nigeria						■				■	■	■	■									
Pakistan <i>PL 480 Only</i>																						

Matrix A.2B
USAID-Assisted Countries with Programs Contributing to Agency Objectives^a

Country	Strategic Objectives																						
	1.1	1.2	1.3	2.1	2.2	2.3	2.4	3.1	3.2	4.1	4.2	4.3	4.4	4.5	5.1	5.2	5.3	5.4	5.5	6.1	6.2	6.3	
Panama																■	■			■			
Paraguay				■	■		■				■		■			■				■			
Peru	■	■	■	■	■	■	■	■			■	■	■	■					■				
Philippines	■	■	■	■			■				■	■	■	■				■		■			
Poland	■		■			■	■																
Romania	■	■				■	■					■	■				■	■					
Russia	■	■	■	■	■	■	■								■	■	■	■	■				
Rwanda				■		■	■															■	
Senegal		■		■	■	■	■				■	■		■		■				■			
Serbia and Montenegro																							
Sierra Leone <i>PL 480 Only</i>				■	■	■	■																
Slovak Republic	■	■	■								■						■				■		
Somalia		■				■	■													■	■	■	
South Africa	■	■	■	■		■	■	■	■		■	■		■			■						
Sri Lanka	■		■										■									■	
Sudan <i>PL 480 Only</i>																							
Tajikistan	■	■			■	■	■							■							■	■	
Tanzania			■			■	■				■	■	■	■		■	■						
Tunisia <i>PL 480 Only</i>																							
Turkey																							
Turkmenistan	■					■							■										
Uganda		■	■	■	■	■	■	■	■		■	■	■	■		■				■		■	
Ukraine	■	■	■	■	■	■	■										■	■				■	
Uzbekistan	■				■	■	■					■		■									
Vietnam																							
West Bank/Gaza	■	■	■	■	■	■	■										■						
Yemen <i>PL 480 Only</i>																							
Zambia		■	■		■	■	■				■	■	■	■								■	
Zimbabwe			■			■					■		■			■							

^a See figure A.1 for full text of Agency objectives and the Agency's Strategic Plan for full definitions (USAID: *Agency Strategic Plan*, 1997).

Figure A.2. Economic Growth and Agricultural Development Indicators
Regional Averages for USAID-Assisted Countries

See Table A.1 Notes for sources and definitions.

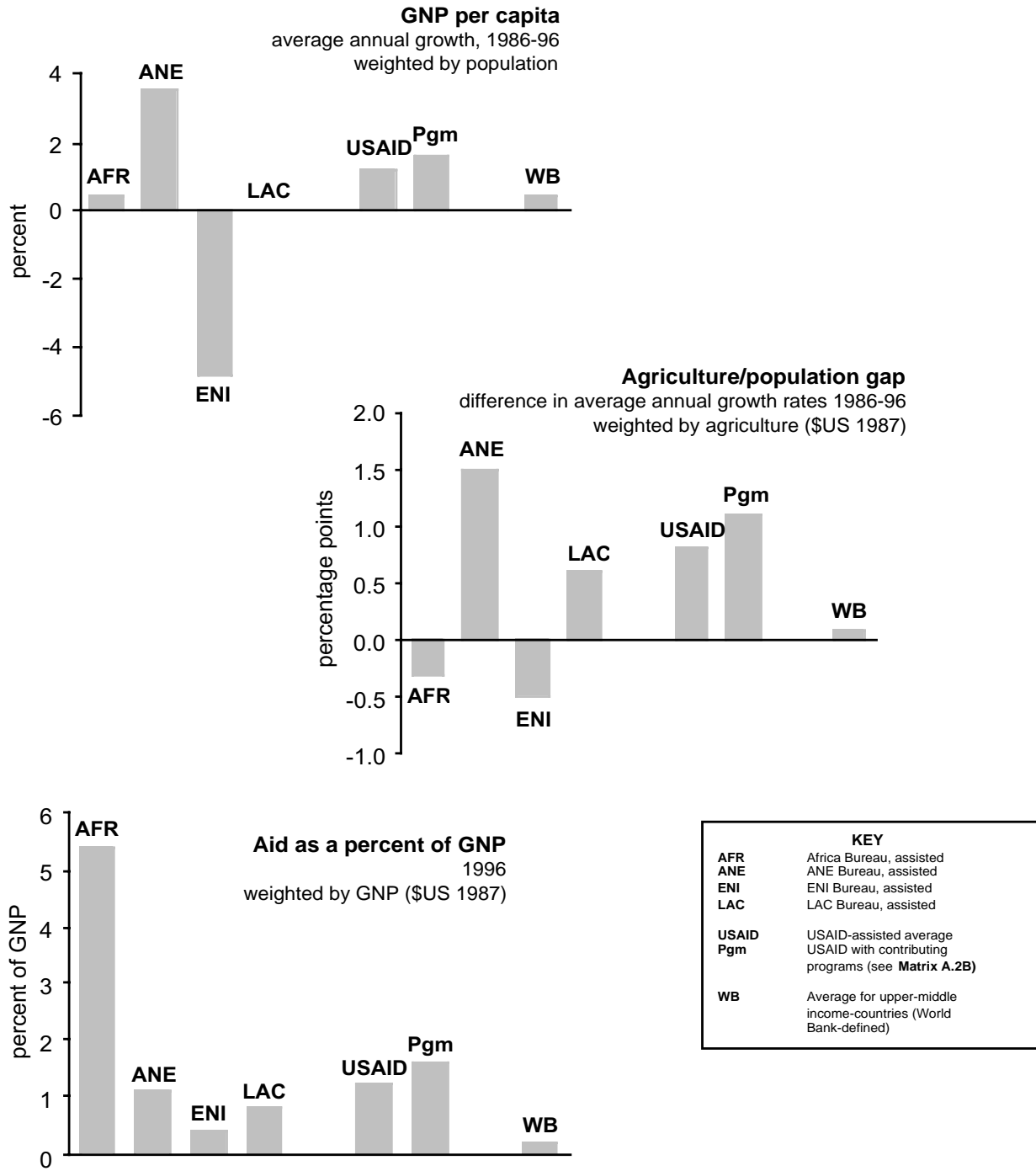


Table A.1A

USAID Goal: Broad-Based Economic Growth and Agricultural Development Encouraged**Weighted Averages—Summary**

	Goal 1			Objective 1.1			Objective 1.2			Objective 1.3	
	Economic Growth Encouraged			Strengthened Markets			Agricultural Development			Expanded Access for the Poor	
	GNP per capita		Aid as a % of GNP	Exports of goods and services	Imports of goods and services	Economic Freedom Index	Agriculture	Population	Difference	Percent of people living in poverty (on less than \$1 a day)	
	average annual % growth	1986–96									1986
Weighted Average											
USAID-Assisted Total	1.2	1.6	1.2	7.5	8.2	3.3	2.7	1.9	0.8		34.3
Sub-Saharan Africa	0.4	6.6	5.4	4.2	5.0	3.1	2.4	2.7	-0.3		39.6
Asia and Near East	3.5	2.0	1.1	9.2	8.1	3.3	3.5	2.0	1.5		41.4
Eastern Europe and NIS	-4.8	0.2	0.4	7.9	7.3	3.2	0.1	0.6	-0.5		4.7
Latin America/Caribbean	0.0	0.6	0.8	7.0	10.6	3.3	2.4	1.9	0.6		22.8
<i>Postconflict Transition</i>	2.7	1.8	3.6	8.4	9.2	3.0	2.8	1.9	0.9		15.5
<i>Sustainable Development</i>	1.1	1.6	1.0	7.4	8.1	3.3	2.7	1.8	0.8		36.3
<i>With Contributing Programs</i>	1.4	2.4	1.6	7.3	7.2	3.4	2.9	1.8	1.1		40.9
Non-USAID-Assisted	6.6	0.5	0.4	11.9	13.1	3.4	3.7	1.6	2.1		20.3
All Countries	2.8	1.2	0.9	7.3	7.2	2.3	2.3	1.6	0.7		28.0
Income Groups											
Low Income	4.5	1.8	1.9	10.8	7.8	3.7	3.7	1.9	1.8		34.7
Lower Middle Income	-0.1	1.4	0.7	8.8	10.1	3.4	2.7	1.6	1.1		10.0
Upper Middle Income	0.4	0.2	0.2	8.4	12.0	3.0	1.7	1.6	0.1		17.4
High Income	1.9	0.0	0.0	6.9	6.5	2.1	0.4	0.7	-0.3		..
Regions											
East Asia and the Pacific	7.7	0.8	0.4	13.1	14.2	3.3	4.0	1.5	2.5		20.2
Europe and Central Asia	-4.8	0.2	0.4	6.6	7.4	3.3	-0.7	0.6	-1.3		4.5
Latin America/Caribbean	0.6	0.5	0.6	7.2	10.9	3.1	2.4	1.8	0.6		20.3
Near East and North Africa	-0.9	1.3	1.0	6.6	3.9	3.7	3.9	2.8	1.1		4.7
South Asia	3.1	1.8	1.0	11.2	6.6	3.6	3.5	2.0	1.5		46.8
Sub-Saharan Africa	-0.7	6.8	6.0	3.9	4.0	3.2	2.3	2.8	-0.4		38.7

Refer to annex C text for definition of summary table aggregates.

Refer to Table A.1 Notes for definition of indicators and weights used.

.. indicates data not available.

Table A.1B

USAID Goal: Broad-Based Economic Growth and Agricultural Development Encouraged**Country Averages—Summary**

Country Averages	Goal 1 Economic Growth Encouraged			Objective 1.1 Strengthened Markets			Objective 1.2 Agricultural Development			Objective 1.3 Expanded Access for the Poor
	GNP per capita		Aid as a % of GNP	Exports of goods and services average annual % growth	Imports of goods and services average annual % growth	Economic Freedom Index 1998	Agriculture average annual % growth	Population average annual % growth	Difference	Percent of people living in poverty (on less than \$1 a day) Percent
	1986–96	1986									1996
	1986–96	1986	1996	1986–96	1986–96	1998	1986–96	1986–96	Difference	Percent
USAID Assisted Total	-1.4	8.7	9.5	4.8	4.7	3.4	1.6	1.9	-0.3	28.7
Sub-Saharan Africa	-0.5	15.3	18.1	2.3	1.9	3.5	1.6	2.6	-1.1	50.3
Asia and Near East	1.8	5.7	5.6	10.1	8.6	3.2	2.7	2.6	0.1	19.9
Eastern Europe and NIS	-5.6	0.1	3.3	3.4	2.4	3.6	-0.7	0.7	-1.4	7.1
Latin America/Caribbean	0.4	4.3	8.4	5.7	7.4	3.1	2.9	2.1	0.8	29.2
<i>Postconflict Transition</i>	-4.4	12.5	18.0	2.4	4.6	3.8	0.6	2.0	-1.5	38.7
<i>Sustainable Development</i>	-0.6	7.7	7.4	5.4	4.8	3.2	1.8	1.9	-0.1	27.6
<i>With Contributing Programs</i>	-1.8	9.4	9.5	5.3	4.5	3.4	2.1	1.9	0.2	30.8
Non-USAID Assisted	0.6	3.5	4.0	5.3	3.7	3.4	2.2	2.1	0.0	11.9
All Countries	0.0	9.8	10.1	4.8	4.7	3.1	1.4	1.8	-0.4	24.5
Income Groups										
Low Income	-1.2	14.5	17.4	2.8	1.9	3.7	1.7	2.5	-0.7	41.4
Lower Middle Income	-0.7	8.8	6.7	5.9	6.6	3.3	1.4	1.8	-0.4	12.2
Upper Middle Income	1.2	1.8	1.2	6.2	7.3	2.9	1.5	1.4	0.1	11.9
High Income	1.9	0.0	0.0	5.8	5.5	2.2	0.8	1.3	-0.5	..
Regions										
East Asia and the Pacific	2.5	10.8	14.6	7.9	9.7	3.4	3.1	2.2	0.9	14.0
Europe and Central Asia	-6.0	0.1	2.9	2.5	1.9	3.5	-2.5	0.5	-3.0	6.4
Latin America/Caribbean	1.5	4.4	6.5	5.8	7.5	3.1	2.8	1.5	1.2	24.3
Near East and North Africa	-1.6	2.5	2.4	5.7	3.2	3.4	3.1	3.2	-0.1	3.6
South Asia	3.1	10.8	7.6	14.2	12.8	3.3	2.8	2.4	0.4	29.6
Sub-Saharan Africa	-0.6	17.1	17.9	1.7	1.1	3.5	1.1	2.7	-1.6	46.4
<i>Percent of countries with missing data</i>	28	39	13	78	44	44	35	0		42

Refer to annex C text for definition of summary table aggregates.

Refer to Table A.1 Notes for definition of indicators.

.. indicates data not available.

Table A.1C

USAID Goal: Broad-Based Economic Growth and Agricultural Development Encouraged

USAID-Assisted Countries and Weighted Regional Averages

Country	Goal 1			Objective 1.1			Objective 1.2			Objective 1.3	
	Economic Growth Encouraged			Strengthened Markets			Agricultural Development			Expanded Access for the Poor	
	GNP per capita average annual % growth	Aid as a % of GNP		Exports of goods and services average annual % growth	Imports of goods and services average annual % growth	Economic Freedom Index 1998	Agriculture average annual % growth	Population average annual % growth	Difference	Percent of people living in poverty (on less than \$1 a day)	
		1986-96	1986							1996	Latest survey year	Percent
USAID-Assisted Total	1.2	1.6	1.2	7.5	8.2	3.3	2.7	1.9	0.8	..	34.3
Sub-Saharan Africa	0.4	6.6	5.4	4.2	5.0	3.2	2.4	2.7	-0.3	..	39.6
Angola	-6.2	2.2	15.8	6.1	4.9	4.4	-7.1	3.1	-10.2	..	..
Benin	-0.3	10.5	13.5	1.6	0.4	3.0	4.8	3.0	1.8	..	..
Burundi	-2.9	15.9	18.2	-1.6	0.7	3.9	-0.7	2.8	-3.4	..	..
Eritrea	..	..	..	..	..	..	..	2.8	..	..	..
Ethiopia	<0.05	9.1	14.3	-2.3	0.4	3.7	2.4	2.6	-0.2	1981-82	46.0
Ghana	1.5	6.6	10.5	7.9	5.9	3.0	2.2	3.0	-0.8	..	..
Guinea	1.7	9.9	7.8	3.0	1.6	3.3	4.2	2.8	1.4	1991	26.3
Guinea-Bissau	1.8	54.7	67.6	10.4	-2.6	..	3.7	1.9	1.8	1991	88.2
Kenya	-0.2	6.5	6.8	7.0	9.3	3.1	1.4	2.8	-1.5	1992	50.2
Liberia	-3.1	9.6	..	..	..	..	..	2.2	..	..	..
Madagascar	-1.7	10.2	9.1	5.8	2.7	3.4	2.2	2.8	-0.7	1993	72.3
Malawi	0.1	17.7	23.2	2.9	3.7	3.7	3.0	3.0	0.0	..	..
Mali	<0.05	22.0	19.5	5.7	1.9	3.1	3.9	2.8	1.1	..	..
Mozambique	4.2	14.9	59.8	10.0	0.1	4.1	3.1	2.9	0.2	..	..
Namibia	2.1	1.1	5.7	2.3	4.1	2.8	1.5	2.7	-1.3	..	..
Niger	-2.3	16.6	13.2	-11.9	-1.7	3.7	1.7	3.2	-1.5	1992	61.5
Nigeria	2.0	0.3	0.6	4.1	0.4	3.3	3.3	2.9	0.4	1992-93	31.1
Rwanda	-5.9	10.9	51.2	-12.0	3.7	4.3	-4.7	0.4	-5.1	1983-85	45.7
Senegal	-0.5	15.8	11.6	3.0	-0.3	3.3	1.5	2.6	-1.1	1991-92	54.0
Somalia	-1.7	58.6	..	-9.4	-8.7	4.7	2.1	1.6	0.5	..	..
South Africa	-0.4	..	0.3	3.7	6.3	2.9	0.9	1.8	-1.0	1993	23.7
Tanzania	..	..	15.6	..	..	3.3	..	3.1	..	1993	10.5
Uganda	3.2	5.1	11.3	8.2	5.4	2.8	4.2	3.2	0.9	1989-90	69.3
Zambia	-1.6	34.2	18.6	0.3	-1.9	3.1	-0.5	3.0	-3.4	1993	84.6
Zimbabwe	-1.0	4.7	5.2	5.5	5.4	3.9	1.8	2.7	-0.9	1990-91	41.0

Table A.1C

USAID Goal: Broad-Based Economic Growth and Agricultural Development Encouraged**USAID-Assisted Countries and Weighted Regional Averages**

Country	Goal 1			Objective 1.1			Objective 1.2			Objective 1.3	
	Economic Growth Encouraged			Strengthened Markets			Agricultural Development			Expanded Access for the Poor	
	GNP per capita	Aid as a % of GNP		Exports of goods and services	Imports of goods and services	Economic Freedom Index	Agriculture	Population	Difference	Percent of people living in poverty (on less than \$1 a day)	
		average annual % growth	1986							1996	average annual % growth	average annual % growth	Latest survey year	Percent
1986-96	1986	1996	1986-96	1986-96	1998	1986-96	1986-96				
Romania	-3.1	..	0.6	..	..	3.3	2.4	-0.2	2.6	1992	17.7
Russia	-6.1	..	0.0	..	..	3.5	..	0.2	..	..	..
Serbia and Montenegro	..	..	..	..	..	..	..	0.2	..	..	..
Slovak Republic	-2.5	0.0	0.8	9.7	5.8	3.1	-0.9	0.2	-1.1	1992	12.8
Tajikistan	-13.3	..	5.6	..	..	4.4	..	2.3	..	..	..
Turkey	2.0	0.5	0.1	9.1	10.0	2.8	1.3	2.0	-0.7	..	..
Turkmenistan	-9.6	..	0.6	..	..	4.5	1.6	3.6	-2.0	1993	4.9
Ukraine	-9.8	..	0.9	..	..	3.8	..	0.0	..	..	..
Uzbekistan	-3.9	..	0.4	..	..	4.6	-0.3	2.3	-2.6	..	..
Latin America/Caribbean	0.0	0.6	0.8	7.0	10.6	3.3	2.4	1.9	0.6	..	22.8
Bolivia	2.0	9.0	13.3	8.2	5.8	2.7	1.6	2.4	-0.8	..	..
Brazil	-0.4	0.1	0.1	6.3	10.0	3.4	2.8	1.6	1.2	1995	23.6
Dominican Republic	1.3	1.6	0.8	6.2	3.9	3.5	1.3	2.0	-0.7	1989	19.9
Ecuador	0.9	1.4	1.5	7.3	3.7	3.0	3.7	2.3	1.4	1994	30.4
El Salvador	2.9	9.3	3.1	7.2	14.0	2.5	1.6	1.9	-0.3	..	..
Guatemala	0.5	1.9	1.4	6.3	9.6	2.8	3.2	2.9	0.3	1989	53.3
Guyana	3.2	7.3	21.7	4.1	-0.6	3.6	6.5	0.6	5.9	..	..
Haiti	-5.4	7.9	14.4	-1.9	8.8	4.0	..	2.1	..	..	..
Honduras	0.4	7.8	9.2	1.6	3.5	3.2	3.7	3.0	0.7	1992	46.9
Jamaica	1.9	7.9	1.4	2.3	5.8	2.6	4.4	0.9	3.5	1993	4.3
Mexico	0.7	0.2	0.1	8.0	12.6	3.3	1.2	2.0	-0.8	1992	14.9
Nicaragua	-4.0	5.7	57.1	9.8	3.4	3.5	1.9	3.2	-1.3	1993	43.8
Panama	1.5	1.0	1.1	3.5	4.9	2.4	1.9	1.9	-0.1	1989	25.6
Paraguay	-0.4	1.9	1.0	12.1	18.8	2.9	3.7	2.7	1.0	..	..
Peru	0.2	1.6	0.7	4.2	6.4	2.8	..	2.1	..	..	..

Refer to annex C text for definition of summary table aggregates.

Refer to Table A.1 Notes for definition of indicators and weights used.

.. indicates data not available.

TABLE A.1 NOTES

USAID Goal: Broad-Based Economic Growth and Agricultural Development Encouraged

Indicator: gross national product (GNP) per capita average annual growth rate

Source: World Bank, national accounts data; OECD National Accounts data files, obtained from World Bank, *World Development Indicators, 1998*.

Definition: GNP per capita is the gross national product divided by the mid-year population. GNP is the sum of gross value added by all resident producers plus any taxes (less subsidies) included in the valuation of output plus net receipts of primary income (employee compensation and property income) from nonresident sources. The growth rate is computed by using the least-squares method and constant 1987 (local currency) prices for 1986–96. *Applied weight indicator:* total population.

Indicator: aid as a percent of GNP

Source: OECD, Development Assistance Committee (DAC), obtained from World Bank, *World Development Indicators, 1998*.

Definition: Aid is defined as Official Development Assistance. ODA consists of net disbursements of loans and grants made on concessional terms by official agencies of the members of DAC and certain Arab countries to

promote economic development and welfare in recipient countries listed as developing by DAC. Loans with a grant element of more than 25 percent are included as ODA. ODA also includes technical assistance. Official aid refers to aid flows from official donors to the transition countries of eastern Europe and the former Soviet Union and to certain advanced countries and territories as determined by DAC. Official aid is provided under terms and conditions similar to those of ODA. Aid dependency ratio is computed for the years 1986 and 1996 using values in U.S. dollars converted at official exchange rates. See previous notes for definition of GNP. *Applied weight indicator:* GNP in \$US 1987.

Indicator: average annual growth rate of exports and imports of goods and services

Source: World Bank, national accounts data, and OECD National Accounts data files, obtained from World Bank, *World Development Indicators, 1998*.

Definition: Trade (exports and imports) of goods and services represent the value of all goods and other market services provided to and obtained from the rest of the world. Included is value of merchandise, freight, insurance, travel, and nonfactor services. Factor and property income (formerly called factor services), such as investment income, interest, and labor income, is excluded. Growth rates are calculated for the period 1986–96 using the least-squares growth rate method and constant prices (\$US 1987). *Applied weight indicator:* exports and imports of goods and services in \$US 1987.

Indicator: Economic Freedom Index

Source: Heritage Foundation, *Economic Freedom in the World*, 1998.

Definition: The Economic Freedom Index measures the degree to which individuals are free to produce, distribute, and consume goods and services. Countries are scored using 50 independent variables, classified into 10 broad economic factors. The scale runs from 1 to 5 with 1 being the most free and 5 the least free. The higher the score, the less supportive of private markets are institutions and policies. The factors are 1) trade policy; 2) taxation policy; 3) government intervention in the economy; 4) monetary policy; 5) capital flows and foreign investment; 6) banking policy; 7) wage and price controls; 8) property rights; 9) regulation; 10) black market. Data are for 1998. *Applied weight indicator:* GNP in \$US 1987.

Indicator: difference between average annual growth rate of agriculture and average annual growth rate of population

Sources: Agriculture data from World Bank, national accounts data; OECD National Accounts data files obtained from World Bank, *World Development Indicators*, 1998. Population data are from World Bank staff estimates.

Definition: Agriculture is the value added from forestry, hunting, and fishing as well as cultivation of crops and livestock production. Agriculture growth rates are calculated by using the least-squares growth rate method and constant 1987 (local currency) prices for 1986–96. Total population is mid-year estimates based on national censuses, using the de facto definition of population, which counts all residents regardless of legal status or citizenship. Refugees not permanently settled in the country of asylum are generally considered to be part of the population of their country of origin. Average annual growth rate for population is based on the exponential change over the period 1986–96. *Applied weight indicator:* Agriculture, value added (\$US 1987).

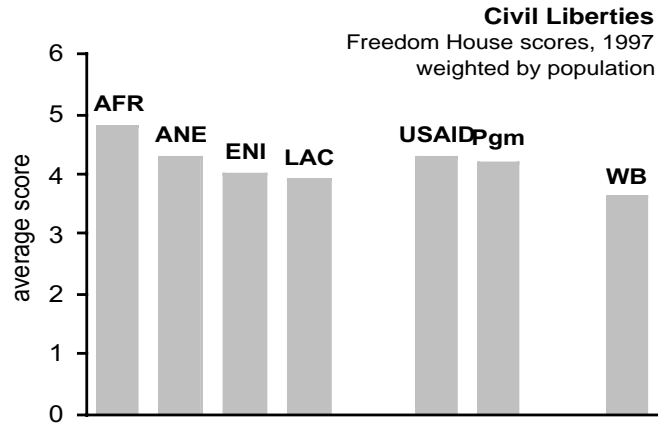
Indicator: percent of the population in poverty

Source: World Bank, Development Research Group, obtained from *World Development Indicators*, 1998.

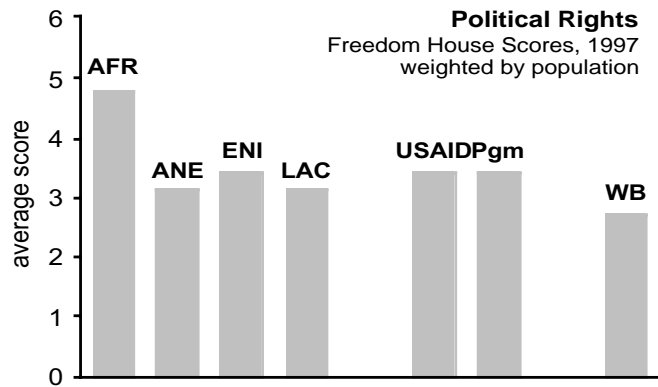
Definition: The percentage of the population living on less than \$1 a day at 1985 international prices, adjusted for purchasing power parity (that is, the World Bank's International Poverty Line). Data for the most recent survey year are provided. *Applied weight indicator:* total population.

Figure A.3. Democracy and Governance Indicators Regional Averages for USAID-Assisted Countries

See Table A.2 Notes for sources and definitions.



Freedom House rankings of civil liberties and political rights are based on a 7-point scale with 1 representing the most free and 7 the least free. See Table A.2 Notes for more information.



KEY	
AFR	Africa Bureau, assisted
ANE	ANE Bureau, assisted
ENI	ENI Bureau, assisted
LAC	LAC Bureau, assisted
USAID Pgm	USAID-assisted average USAID with contributing programs (see Matrix A.2B)
WB	Average for upper-middle-income countries (World Bank-defined)

Table A.2A

USAID Goal: Democracy and Good Governance Strengthened

Weighted Averages—Summary

Weighted Average	Goal 2		Objective 2.1 and 2.3		Objective 2.2	
	Democracy and Governance Strengthened		Rule of Law and Active Civil Society		Competitive Political Process	
	Freedom Index		Civil Liberties		Political Rights	
	Freedom House Classifications		Freedom House Scores		Freedom House Scores	
	1987	1997	1987	1997	1987	1997
USAID-Assisted Total	1.6	2.1	4.1	4.3	3.5	3.4
Sub-Saharan Africa	2.5	2.3	5.8	4.8	5.9	4.8
	1.4	2.2	3.8	4.3	3.0	3.1
Eastern Europe and NIS	2.2	1.9	4.9	4.0	4.2	3.4
Latin America/Caribbean	1.4	1.9	2.9	3.9	2.7	3.1
<i>Postconflict Transition</i>	2.2	2.8	6.0	5.0	5.3	6.2
<i>Sustainable Development</i>	1.6	2.0	3.9	4.2	3.3	3.1
<i>With Contributing Programs</i>	1.6	2.1	4.0	4.2	4.3	3.4
Non-USAID Assisted	2.8	2.8	5.7	6.5	5.7	6.5
All Countries	2.0	2.2	4.3	4.6	3.9	4.1
Income Groups						
Low Income	2.2	2.5	5.0	5.5	4.6	4.9
Lower Middle Income	1.9	2.3	4.7	4.6	4.1	4.6
Upper Middle Income	1.6	1.7	3.5	3.6	3.4	2.7
High Income	1.1	1.0	1.4	1.6	1.2	1.1
Regions						
East Asia and the Pacific	2.8	2.9	5.8	6.4	5.6	6.6
Europe and Central Asia	2.2	1.9	5.0	4.0	4.3	3.4
Latin America/Caribbean	1.3	1.8	2.9	3.7	2.7	3.0
Near East and North Africa	2.4	2.9	5.6	6.3	5.3	6.0
South Asia	1.3	2.0	3.5	4.2	2.5	2.3
Sub-Saharan Africa	2.5	2.4	5.8	5.0	5.8	5.2

Refer to annex C text for definition of summary table aggregates.

Refer to Table A.2 Notes for definition of indicators and weights used.

Table A.2B

USAID Goal: Democracy and Good Governance Strengthened
Country Averages—Summary

Country Averages	Goal 2		Objective 2.1 and 2.3		Objective 2.2	
	Democracy and Governance Strengthened		Rule of Law and Active Civil Society		Competitive Political Process	
	Freedom Index		Civil Liberties		Political Rights	
	Freedom House Classifications		Freedom House Scores		Freedom House Scores	
	1987	1997	1987	1997	1987	1997
USAID-Assisted Total	2.2	2.0	5.0	4.1	4.8	3.8
Sub-Saharan Africa	2.7	2.1	6.0	4.5	6.0	4.4
Asia and Near East	2.0	2.1	4.7	4.5	4.4	4.1
Eastern Europe and NIS	2.3	2.0	5.0	4.0	5.0	3.7
Latin America/Caribbean	1.5	1.6	3.7	3.3	3.3	2.8
<i>Postconflict Transition</i>	2.5	2.4	5.7	4.9	5.6	4.9
<i>Sustainable Development</i>	2.1	1.9	4.8	3.9	4.6	3.5
<i>With Contributing Programs</i>	2.2	2.0	5.1	4.0	4.7	3.7
Non-USAID Assisted	2.3	2.2	4.7	4.7	4.6	4.5
All Countries	2.0	1.9	4.3	3.7	4.1	3.5
Income Groups						
Low Income	2.6	2.3	5.8	4.8	5.7	4.9
Lower Middle Income	1.8	1.9	4.2	3.8	3.9	3.5
Upper Middle Income	1.8	1.6	3.8	3.2	3.5	2.7
High Income	1.2	1.2	2.1	2.0	2.0	1.8
Regions						
East Asia and the Pacific	2.2	1.9	4.7	3.8	4.6	3.7
Europe and Central Asia	2.3	1.9	5.1	3.8	5.0	3.4
Latin America/Caribbean	1.4	1.4	3.0	2.8	2.7	2.4
Near East and North Africa	2.5	2.9	5.8	6.0	5.5	6.1
South Asia	2.0	2.4	4.9	5.1	4.1	4.3
Sub-Saharan Africa	2.6	2.3	5.8	4.5	5.7	4.7
<i>Percent of countries with missing data</i>	<i>31</i>	<i>19</i>	<i>31</i>	<i>19</i>	<i>31</i>	<i>19</i>

Refer to annex C text for definition of summary table aggregates.
Refer to Table A.2 Notes for definition of indicators.

Table A.2C

USAID Goal: Democracy and Good Governance Strengthened

USAID-Assisted Countries and Weighted Regional Averages

Countries	Goal 2		Objective 2.1 and 2.3		Objective 2.2	
	Democracy and Governance Strengthened		Rule of Law and Active Civil Society		Competitive Political Process	
	Freedom Index		Civil Liberties		Political Rights	
	Freedom House Classifications		Freedom House Scores		Freedom House Scores	
	1987	1997	1987	1997	1987	1997
USAID-Assisted Total	1.6	2.1	4.1	4.3	3.5	3.4
Sub-Saharan Africa	2.5	2.3	5.8	4.8	5.9	4.8
Angola	3	3	7	6	7	6
Benin	3	1	7	2	7	2
Burundi	3	3	6	7	7	7
Eritrea	..	2	..	4	..	6
Ethiopia	3	2	7	5	6	4
Ghana	3	2	6	3	7	3
Guinea	3	3	6	5	7	6
Guinea-Bissau	3	2	7	4	6	3
Kenya	3	3	6	6	6	6
Liberia	2	2	5	5	5	4
Madagascar	2	2	5	4	5	2
Malawi	3	1	7	3	6	2
Mali	3	1	6	3	7	3
Mozambique	3	2	7	4	6	3
Namibia	..	1	..	3	..	2
Niger	3	3	6	5	7	7
Nigeria	2	3	5	6	6	7
Rwanda	3	3	6	6	6	7
Senegal	2	2	4	4	3	4
Somalia	3	3	7	7	7	7
South Africa	2	1	6	2	5	1
Tanzania	3	2	6	5	6	5
Uganda	2	2	4	4	5	4
Zambia	2	2	5	4	5	5
Zimbabwe	2	2	6	5	5	5

Table A.2C

USAID Goal: Democracy and Good Governance Strengthened

USAID-Assisted Countries and Weighted Regional Averages

Countries	Goal 2		Objective 2.1 and 2.3		Objective 2.2	
	Democracy and Governance Strengthened		Rule of Law and Active Civil Society		Competitive Political Process	
	Freedom Index		Civil Liberties		Political Rights	
	Freedom House Classifications		Freedom House Scores		Freedom House Scores	
	1987	1997	1987	1997	1987	1997
Asia and Near East	1.4	2.2	3.8	4.3	3.0	3.1
Bangladesh	2	2	5	4	4	2
Cambodia	3	3	7	6	7	7
Egypt	2	3	4	6	5	6
India	1	2	3	4	2	2
Indonesia	2	3	6	5	5	7
Israel	1	1	2	3	2	1
Jordan	2	2	5	4	5	4
Lebanon	2	3	5	5	6	6
Mongolia	3	1	7	3	7	2
Morocco	2	2	5	5	4	5
Nepal	2	2	4	4	3	3
Philippines	1	1	2	3	2	2
Sri Lanka	2	2	4	4	3	3
Vietnam	3	3	7	7	6	7
West Bank/Gaza						
Europe and NIS	2.2	1.9	4.9	4.0	4.2	3.4
Albania	3	2	7	4	7	4
Armenia	..	2	..	4	..	5
Azerbaijan	..	2	..	4	..	6
Bosnia	..	2	..	5	..	5
Bulgaria	3	1	7	3	7	2
Croatia	..	2	..	4	..	4
Cyprus	..	..	..	..	..	..
Georgia	..	2	..	4	..	3
Hungary	2	1	4	2	5	1
Ireland	1	1	1	1	1	1
Kazakstan	..	3	..	5	..	6
Kyrgyzstan	..	2	..	4	..	4
Lithuania	..	1	..	2	..	1
Moldova	..	2	..	4	..	3
Poland	2	1	5	2	5	1

Table A.2C

USAID Goal: Democracy and Good Governance Strengthened

USAID-Assisted Countries and Weighted Regional Averages

Countries	Goal 2		Objective 2.1 and 2.3		Objective 2.2	
	Democracy and Governance Strengthened		Rule of Law and Active Civil Society		Competitive Political Process	
	Freedom Index		Civil Liberties		Political Rights	
	Freedom House Classifications		Freedom House Scores		Freedom House Scores	
	1987	1997	1987	1997	1987	1997
Romania	3	1	7	2	7	2
Russia	..	2	..	4	..	3
Serbia and Montenegro	2	3	5	6	6	6
Slovak Republic	..	2	..	4	..	2
Tajikistan	..	3	..	6	..	6
Turkey	2	2	4	5	2	4
Turkmenistan	..	3	..	7	..	7
Ukraine	..	2	..	4	..	3
Uzbekistan	..	3	..	6	..	7
Latin America/Caribbean	1.4	1.9	2.9	3.9	2.7	3.1
Bolivia	1	1	3	3	2	1
Brazil	1	2	2	4	2	3
Dominican Republic	1	2	3	3	1	3
Ecuador	1	2	3	3	2	3
El Salvador	2	1	4	3	3	2
Guatemala	2	2	3	4	3	3
Guyana	2	1	5	2	5	2
Haiti	2	2	5	5	6	4
Honduras	1	1	3	3	2	2
Jamaica	1	1	2	3	2	2
Mexico	2	2	4	4	4	3
Nicaragua	2	2	5	3	5	3
Panama	2	1	5	3	5	2
Paraguay	2	2	6	3	5	4
Peru	1	2	3	4	2	5

Refer to annex C text for definition of summary table aggregates.

Refer to Table A.2 Notes for definition of indicators and weights used.

.. indicates data not available.

TABLE A.2 NOTES

USAID Goal: Democracy and Good Governance Strengthened

Indicator: country classifications as free, partly free, or not free

Source: Freedom House, *Freedom in the World* annual surveys.

Definition: Each year, the Freedom House survey team classifies countries as free (=1), partly free (=2), or not free (=3), based on ratings of political rights and civil liberties (each is scored separately on a 7-point scale with 1 representing most free and 7 the least free). A country is assigned to one of the three categories based on responses to a checklist of questions about political rights and civil liberties and on the judgements of the Freedom House survey team. The numbers are not purely mechanical but reflect judgments. The classification measures the extent to which individuals enjoy rights and freedoms in each country. Broadly defined, freedom encompasses two sets of characteristics grouped under political rights and civil liberties. Political rights enable people to participate freely in the political process. Civil liberties refer to freedom to develop views, institutions, and personal autonomy apart from the state. Data are for 1987 and 1997. *Applied weight indicator:* total population.

Indicator: composite score for civil liberties

Source: Freedom House, *Freedom in the World* annual surveys.

Definition: Freedom House also ranks countries annually on a 7-point scale for civil liberties (with 1 representing the most free and 7 the least). The civil liberties scores are based on a checklist of criteria. These include the existence of a free and independent media; freedom of discussion, assembly and demonstration; freedom of political organization; equality under the law; protection from political terror, unjustified imprisonment, and torture; free trade unions and professional and private organizations; freedom of religion; personal social freedoms; equality of opportunity; and freedom from extreme government corruption. Data are provided in the table for 1987 and 1997. *Applied weight indicator:* total population.

Indicator: composite score for political rights

Source: Freedom House, *Freedom in the World* annual surveys.

Definition: Freedom House provides country rankings on a 7-point scale for political rights (with 1 representing the most free and 7 the least free). Changes in countries' scores from year to year are monitored via annual surveys. The political rights score is based on answers to a checklist of criteria. Survey questions deal with issues such as whether there are free and fair elections, competitive political parties, opposition with an important role and power, freedom from domination by a powerful group (such as military, foreign power, totalitarian parties), and participation by minority groups. Data are provided in the table for 1987 and 1997. *Applied weight indicator:* total population.

Figure A.4. Human Capacity/Education Indicators Regional Averages for USAID-Assisted Countries

See Table A.3 Notes for sources and definitions.

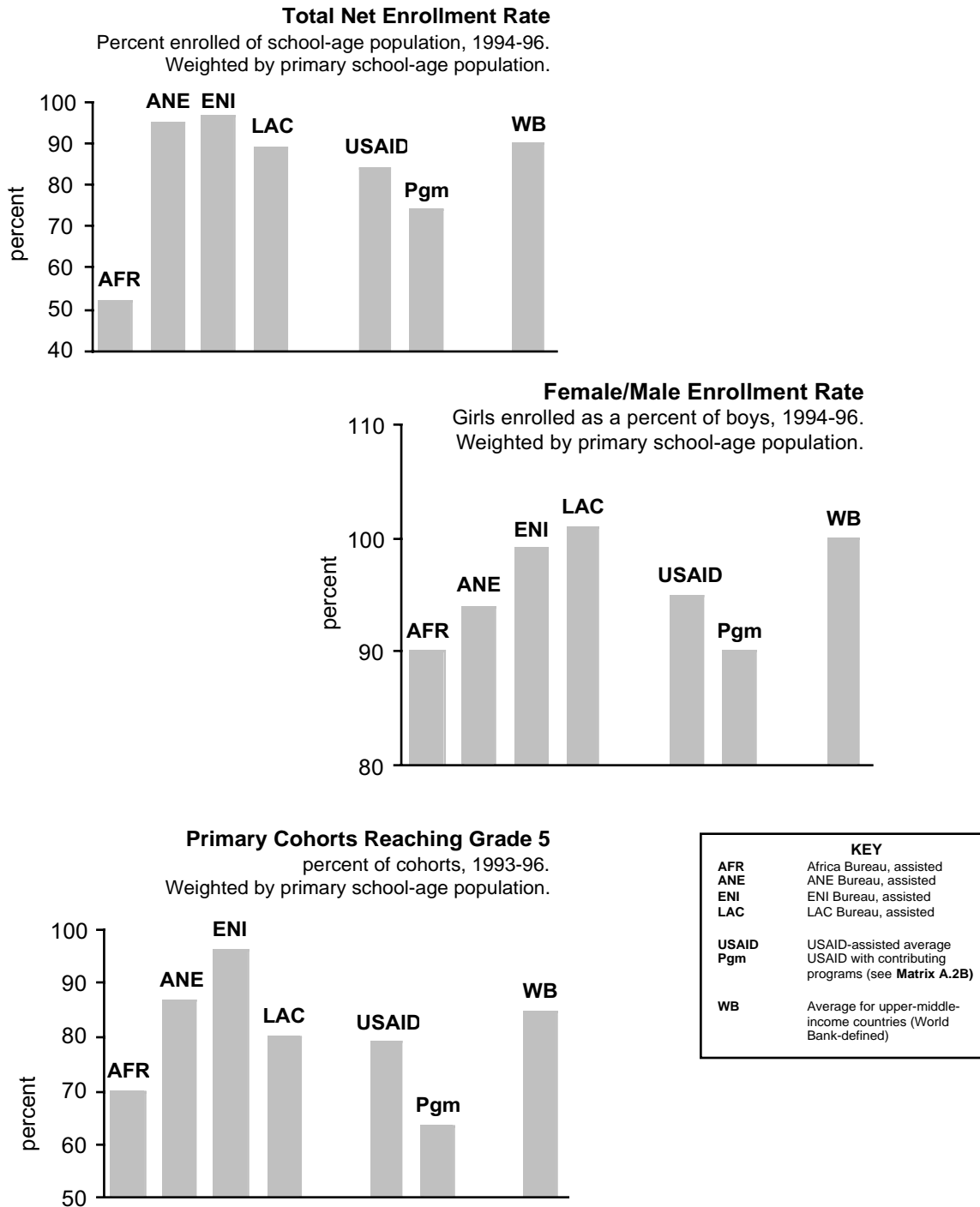


Table A.3A
USAID Goal: Human Capacity Built through Education and Training
 Weighted Average—Summary

Weighted Average	Objective 3.1									
	Expanded Basic Education									
	Total ^a		Net primary enrollment rate				Female/Male Ratio		Percent of primary cohort reaching 5th grade	
	1985–86	1994–96	Female 1985–86	Female 1994–96	Male 1985–86	Male 1994–96	1985–86	1994–96	1985–86	1993–96
USAID-Assisted Total	80	84	70	79	79	83	0.89	0.95	62	79
Sub-Saharan Africa	47	52	43	49	52	55	0.83	0.90	65	70
Asia and Near East	81	95	76	91	85	96	0.89	0.94	61	87
Eastern Europe and NIS	98	97	99	97	100	98	0.99	0.99	97	96
Latin America/Caribbean	87	89	74	88	74	87	1.00	1.01	55	80
<i>Postconflict Transition</i>	89	91	86	88	91	93	0.94	0.95	78	83
<i>Sustainable Development</i>	77	82	61	75	72	79	0.85	0.95	61	78
<i>With Contributing Programs</i>	65	63	48	59	63	66	0.77	0.90	55	63
Non-USAID Assisted	80	96	73	94	85	97	0.85	0.97	75	92
All Countries	83	91	78	89	84	92	0.92	0.97	69	88
Income Groups										
Low Income	50	88	43	86	56	89	0.78	0.96	62	86
Lower Middle Income	90	95	86	93	94	96	0.92	0.96	83	86
Upper Middle Income	87	90	77	89	84	89	0.92	1.00	66	85
High Income	96	98	96	98	95	98	1.01	1.00	97	99
Regions										
East Asia and the Pacific	97	99	95	97	99	99	0.96	0.99	74	91
Europe and Central Asia	98	97	99	96	100	98	0.99	0.99	94	96
Latin America/Caribbean	86	89	78	89	78	88	1.00	1.00	58	77
Near East and North Africa	79	82	71	77	86	86	0.83	0.90	88	89
South Asia	52	..	44	..	59	..	0.74	..	52	96
Sub-Saharan Africa	47	54	42	49	51	58	0.82	0.85	67	70

^aTotal enrollment may include more country data than male/female enrollment.

Refer to annex C text for definition of summary table aggregates.

Refer to Table A.3 Notes for definition of indicators and weights used.

.. indicates data not available.

Table A.3B

USAID Goal: Human Capacity Built through Education and Training
Country Averages—Summary

Country Averages	Objective 3.1									
	Expanded Basic Education									
	Total ^a		Net primary enrollment rate				Female/Male Ratio		Percent of primary cohort reaching 5th grade	
	1985–86	1994–96	Female	Male	Female/Male Ratio	1985–86	1994–96	1985–86	1993–96	
USAID-Assisted Total	72	80	64	78	72	81	0.86	0.94	70	79
Sub-Saharan Africa	45	59	38	51	52	59	0.72	0.84	64	72
Asia and Near East	78	87	72	79	84	86	0.84	0.92	79	86
Eastern Europe and NIS	98	94	99	94	99	94	1.00	0.99	97	96
Latin America/Caribbean	84	87	79	87	79	86	1.00	1.01	57	67
<i>Postconflict Transition</i>	64	77	61	77	66	78	0.92	0.97	57	66
<i>Sustainable Development</i>	74	81	65	78	74	81	0.84	0.94	73	81
<i>With Contributing Programs</i>	64	73	55	68	65	74	0.82	0.88	56	65
Non-USAID Assisted	82	88	78	86	85	90	0.91	0.96	81	87
All Countries	80	85	77	83	81	86	0.92	0.96	79	83
Income Groups										
Low Income	49	64	43	60	54	67	0.76	0.87	65	70
Lower Middle Income	87	92	85	90	90	92	0.95	0.98	79	83
Upper Middle Income	87	90	85	90	87	89	0.95	1.01	86	92
High Income	95	95	95	95	95	95	1.01	1.00	97	99
Regions										
East Asia and the Pacific	97	93	96	92	98	92	0.98	1.00	81	77
Europe and Central Asia	98	93	99	92	99	93	1.00	0.99	92	95
Latin America/Caribbean	84	89	83	90	83	89	1.00	1.02	68	77
Near East and North Africa	80	84	74	81	86	87	0.85	0.93	88	92
South Asia	37	..	30	..	44	..	0.61	..	61	90
Sub-Saharan Africa	55	65	50	60	60	67	0.80	0.87	70	71
<i>Percent of countries with missing data</i>	66	63	69	66	69	66	69	66	53	67

^aTotal enrollment may include more country data than male/female enrollment.

Refer to annex C text for definition of summary table aggregates.

Refer to Table A.3 Notes for definition of indicators.

.. Indicates data not available.

Table A.3C

USAID Goal: Human Capacity Built through Education and Training
USAID-Assisted Countries and Weighted Regional Averages

Objective 3.1											
Expanded Basic Education											
Country	Net primary enrollment rate						Percent of primary cohort reaching 5th grade				
	Total		Female		Male		Female-Male Ratio		1985-86		1993-96
	1985-86	1994-96	1985-86	1994-96	1985-86	1994-96	1985-86	1994-96	1985-86	1993-96	
Asia and Near East	81	95	76	91	85	96	0.89	0.94	61	87	
Bangladesh	57	..	48	..	64	..	0.75	..	..	..
Cambodia	..	..	..	..	..	..	..	..	..	50
Egypt	..	..	..	..	..	..	..	..	97	..
India	..	..	..	..	..	..	..	..	53	..
Indonesia	98	97	95	95	100	99	0.95	0.96	85	90	
Israel	..	..	..	..	..	..	..	..	96	100
Jordan	..	..	..	..	..	..	..	..	91	..
Lebanon	..	..	..	..	..	..	..	..	..	..
Mongolia	..	80	..	81	..	78	..	1.04	..	..
Morocco	61	72	48	62	73	81	0.66	0.77	69	78	
Nepal	..	..	..	..	..	..	..	..	..	..
Philippines	96	100	96	..	97	..	0.99	..	..	..
Sri Lanka	..	..	..	..	..	..	..	..	..	98
Vietnam	..	..	..	..	..	..	..	..	62	..
West Bank and Gaza	..	..	..	..	..	..	..	..	..	98
Europe and NIS	98	97	99	97	100	98	0.99	0.99	97	96	
Albania	..	96	..	97	..	95	..	1.02	97	82	
Armenia	..	..	..	..	..	..	..	..	..	..
Azerbaijan	..	..	..	..	..	..	..	..	..	..
Bosnia	..	..	..	..	..	..	..	..	..	..
Bulgaria	..	97	..	96	..	98	..	0.98	96	..	
Croatia	..	82	..	82	..	83	..	0.99	..	..
Cyprus	98	96	98	96	99	96	0.99	1.00	99	100	
Georgia	..	82	..	82	..	81	..	1.01	..	..
Hungary	97	93	98	94	97	92	1.01	1.02	97	98	
Ireland	100	100	100	100	100	100	1.00	1.00	97	100	
Kazakstan	..	..	..	..	..	..	..	..	..	..
Kyrgyzstan	..	97	..	95	..	99	..	0.96	..	..
Lithuania	..	..	..	..	..	..	..	..	..	..
Moldova	..	..	..	..	..	..	..	..	..	..
Poland	99	97	99	96	100	97	0.99	0.99	98	100	

Table A.3C

USAID Goal: Human Capacity Built through Education and Training
USAID-Assisted Countries and Weighted Regional Averages

Objective 3.1										
Expanded Basic Education										
Country	Net primary enrollment rate						Percent of primary cohort reaching 5th grade			
	Total		Female		Male		Female-Male Ratio			
	1985-86	1994-96	1985-86	1994-96	1985-86	1994-96	1985-86	1994-96	1985-86	1993-96
Romania	..	92	..	92	..	92	..	1.00	..	..
Russia	..	100	..	100	..	100	..	1.00	..	..
Serbia and Montenegro	..	..	..	..	..	..	..	..	..	..
Slovak Republic	..	..	..	..	..	..	..	..	..	..
Tajikistan	..	..	..	..	..	..	..	..	..	..
Turkey	98	96	..	94	..	98	..	0.96	96	95
Turkmenistan	..	..	..	..	..	..	..	..	..	..
Ukraine	..	..	..	..	..	..	..	..	..	..
Uzbekistan	..	..	..	..	..	..	..	..	..	..
Latin America/Caribbean	87	89	74	88	74	87	1.00	1.01	55	80
Bolivia	..	..	..	..	..	..	..	..	63	..
Brazil	81	90	..	..	..	..	..	..	43	..
Dominican Republic	70	81	69	83	70	79	0.99	1.05	41	58
Ecuador	..	92	..	92	..	91	..	1.01	67	77
El Salvador	..	79	..	80	..	78	..	1.03	51	..
Guatemala	..	..	..	..	..	..	..	..	39	..
Guyana	..	90	..	89	..	90	..	0.99	..	..
Haiti	56	..	54	..	57	..	0.95	..	36	..
Honduras	..	..	..	..	..	..	..	..	..	..
Jamaica	94	..	95	..	92	..	1.03	..	95	..
Mexico	100	..	..	..	..	..	..	..	77	85
Nicaragua	76	83	79	85	74	82	1.07	1.04	29	47
Panama	90	..	90	..	90	..	1.00	..	84	..
Paraguay	89	89	89	89	90	89	0.99	1.00	59	71
Peru	96	91	..	90	..	91	..	0.99	..	..

Refer to annex C text for definition of summary table aggregates.

Refer to Table A.3 Notes for definition of indicators.

.. Indicates data not available.

TABLE A.3 NOTES

USAID Goal: Human Capacity Built Through Education and Training

Indicator: percent of the primary school-age population enrolled

Source: UNESCO database, 1998.

Definition: The net enrollment rate is the number of children of official school age enrolled in school divided by the number of children of official school age in the population. Primary, or first level, provides the basic elements of education at elementary or primary school. The duration of primary school varies from country to country. Using net enrollment rates is preferable to gross enrollment rates. Gross enrollment rate is the ratio of total enrollment, regardless of age, to the population of the age group that officially corresponds to the primary school level. Thus, gross enrollment rates do not correct for overage or underage enrollments and a high rate does not necessarily indicate a successful school system. Net enrollment rates do make such adjustments, but data are less readily available in many countries. Data are for 1986 and the most recent year, 1996. *Applied weight indicator:* primary school-age population, ages 6–11.

Indicator: ratio of girls' enrollment rate to boys' enrollment rate

Source: UNESCO database, 1998.

Definition: The indicator is the ratio of female to male net enrollment rates. A female–male participation ratio of one (or more) implies the gap or disparity has been eliminated and girls have equal access as boys to primary education. (This may be more easily thought of as the number of girls enrolled in primary school for every boy enrolled.) Data are for 1986 and 1996. *Applied weight indicator:* primary total and female school-age population, ages 6–11.

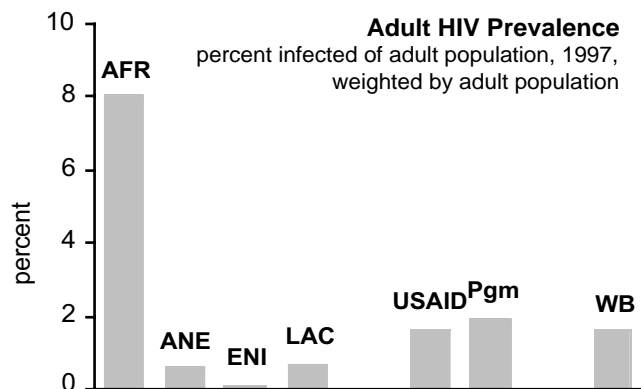
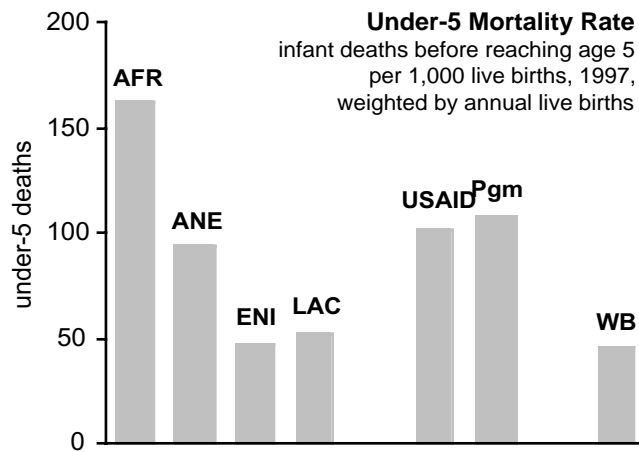
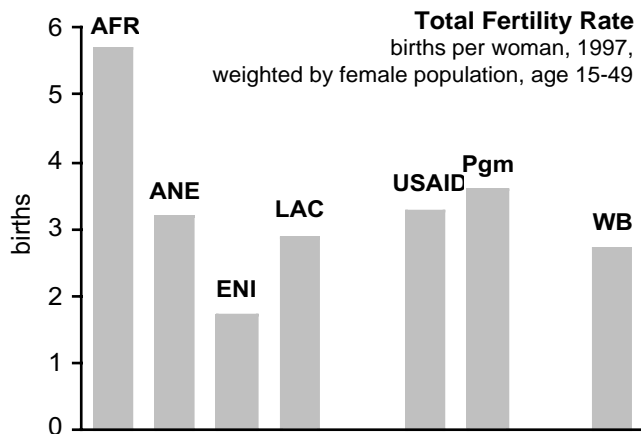
Indicator: percent of cohort reaching fifth grade

Source: UNESCO database, 1998.

Definition: The percentage of a cohort starting primary school that eventually attains the fifth grade. The proportion of a single-year cohort of students that eventually reaches fifth grade is calculated with the reconstructed cohort method. This method uses data on average promotion, repetition, and dropout rates to calculate the flow of students from one grade to the next. The percentage of the cohort reaching grade 5, rather than some other grade, is used to increase cross-country comparability (duration of primary schooling varies from 3 to 10 grades). Data are for 1986 and 1996. *Applied weight indicator:* primary school-age population, ages 6–11.

Figure A.5. Population and Health Indicators Regional Averages for USAID-Assisted Countries

See Table A.4 Notes for sources and definitions.



KEY	
AFR	Africa Bureau, assisted
ANE	ANE Bureau, assisted
ENI	ENI Bureau, assisted
LAC	LAC Bureau, assisted
USAID Pgm	USAID-assisted average USAID with contributing programs (see Matrix A.2B)
WB	Average for upper-middle-income countries (World Bank-defined)

Table A.4A

USAID Goal: World Population Stabilized and Human Health Protected

Weighted Average—Summary

	Objective 4.1		Objective 4.2			Objective 4.3			Objective 4.4			Objective 4.5	
	Reduced Pregnancies		Improved Child Health and Nutrition			Improved Maternal Health			Reduced HIV Transmission			Reduced Infectious Diseases	
	Total fertility rate		Under-5 mortality rate	Percent of children under-5 underweight		Births attended by trained health personnel	Maternal mortality ratio	Early neonatal mortality rate	Adult HIV prevalence rate	Percent condom use with nonregular partner 1992/96		Tuberculosis cases per 100,000 pop.	Malaria cases per 100,000 pop.
	1987	1997	1987	1997	1987/97	1990/96	1990/96	1987/97	1997	Male	Female	1995	1994
Weighted Averages													
USAID-Assisted Total	4.4	3.3	141	102	36.1	44	488	29.4	1.57	29.2	18.7	87	1,636
Sub-Saharan Africa	6.7	5.7	191	162	31.7	36	875	29.5	7.99	45.3	34.5	76	16,851
Asia and Near East	4.1	3.2	128	94	46.4	37	450	31.8	0.55	..	..	108	309
Eastern Europe and NIS	3.4	1.7	93	47	8.3	89	80	19.8	0.08	..	..	49	41
Latin America/Caribbean	3.6	2.9	71	52	11.1	76	176	16.6	0.63	17.8	7.7	54	281
<i>Postconflict Transition</i>	4.1	3.4	150	116	30.8	33	610	23.5	1.38	31.3	17.1	27	2,808
<i>Sustainable Development</i>	4.4	3.3	138	100	36.7	45	472	30.1	1.59	29.1	18.8	94	1,598
<i>With Contributing Programs</i>	4.4	3.6	150	108	39.5	35	559	30.9	1.91	29.2	17.7	55	186
Non-USAID Assisted	5.1	2.3	117	66	18.2	81	160	21.8	0.42	50.4	44.2	35	150
All Countries	4.2	2.8	140	90	29.2	57	361	29.4	1.00	31.6	21.5	65	1,254
Income Groups													
Low Income	5.0	3.2	184	110	36.4	47	485	33.3	1.33	46.8	37.1	66	1,204
Lower Middle Income	4.1	2.7	97	67	18.1	61	212	20.3	0.32	64.3	47.3	69	341
Upper Middle Income	3.4	2.7	61	45	8.8	86	127	14.3	1.52	17.3	6.8	51	181
High Income	1.9	1.7	16	7	1.5	99	13	..	0.35	..	..	19	1
Regions													
East Asia and the Pacific	3.7	2.1	112	65	23.0	74	197	20.1	0.20	38.0	12.0	45	200
Europe and Central Asia	3.5	1.7	93	46	8.1	90	77	19.8	0.08	46.4	40.8	48	42
Latin America/Caribbean	3.4	2.8	63	45	9.6	78	164	16.4	0.59	19.5	9.0	47	249
Near East and North Africa	5.7	4.3	101	75	13.6	61	179	23.1	0.03	..	..	52	110
South Asia	4.5	3.5	183	110	51.4	29	490	35.1	0.64	..	..	105	233
Sub-Saharan Africa	6.6	5.8	187	159	31.1	39	834	30.0	7.22	47.4	38.1	75	14,311

Refer to annex C text for definition of summary table aggregates.

Refer to Table A.4 Notes for definition of indicators and weights used.

.. indicates data not available.

Table A.4B

USAID Goal: World Population Stabilized and Human Health Protected**Country Averages—Summary**

	Objective 4.1		Objective 4.2			Objective 4.3			Objective 4.4			Objective 4.5		
	Reduced Pregnancies		Improved Child Health and Nutrition			Improved Maternal Health			Reduced HIV Transmission			Reduced Infectious Diseases		
	Total fertility rate		Under-5 mortality rate		Percent of children under 5 underweight	Births attended by trained health personnel			Maternal mortality ratio	Early neonatal mortality rate	Adult HIV prevalence rate	Percent condom use with nonregular partner 1992/96		Tuberculosis cases per 100,000 pop.
Country Averages	1987	1997	1987	1997	1987/97	1990/96	1990/96	1987/97	1997	Male	Female	1995	1994	
USAID-Assisted Total	5.2	3.8	138	94	21.6	58	383	25.3	2.84	45.2	29.5	74	6,230	
Sub-Saharan Africa	6.7	5.9	193	167	29.9	38	786	29.9	7.80	44.5	29.8	106	18,593	
Asia and Near East	4.5	3.6	98	77	28.9	57	392	24.3	0.30	..	..	83	547
Eastern Europe and NIS	2.7	2.0	93	47	6.7	97	63	19.3	0.06	..	..	41	50
Latin America/Caribbean	4.2	3.5	81	62	13.6	70	215	19.7	1.04	46.5	29.2	61	607	
<i>Postconflict Transition</i>	6.0	4.4	164	114	21.6	36	592	28.8	3.14	31.5	15.5	47	2,864	
<i>Sustainable Development</i>	5.0	3.6	128	88	21.6	64	334	24.7	2.76	48.3	32.3	82	7,128	
<i>With Contributing Programs</i>	5.5	4.6	163	115	26.1	51	466	24.4	4.96	45.2	25.0	57	239	
Non-USAID-Assisted	4.7	3.8	94	67	16.5	78	269	24.4	2.57	49.1	37.3	60	1,483	
All Countries	4.5	3.4	106	67	19.5	71	313	25.6	2.23	47.3	33.6	63	3,978	
Income Groups														
Low Income	6.1	5.1	179	140	29.6	43	672	29.7	4.16	46.0	33.0	82	7,016	
Lower Middle Income	4.6	3.3	77	58	13.8	75	156	19.7	1.73	60.3	41.6	69	3,087	
Upper Middle Income	3.3	2.7	53	31	7.0	92	106	16.4	1.11	29.7	19.1	41	110	
High Income	2.5	2.0	22	10	4.4	99	12	..	0.29	..	..	19	8
Regions														
East Asia and the Pacific	4.6	3.6	104	75	24.8	77	354	18.3	0.63	38.0	12.0	93	5,653	
Europe and Central Asia	2.6	1.8	93	40	6.2	97	56	19.3	0.05	55.2	50.7	41	66	
Latin America/Caribbean	3.4	2.9	50	39	10.2	80	176	19.1	0.97	45.7	29.4	45	671	
Near East and North Africa	5.6	4.7	82	59	11.5	66	198	21.6	0.05	..	..	47	138
South Asia	5.4	4.5	168	123	44.2	36	631	30.2	0.16	..	..	62	715
Sub-Saharan Africa	6.3	5.6	175	149	26.3	47	759	29.9	7.24	47.7	35.7	107	12,221	
<i>Percent of countries with missing data</i>	33	1	44	3	26	35	75	25	49	28	62	92	92	

Refer to annex C text for definition of summary table aggregates.

Refer to Table A.4 Notes for definition of indicators.

.. indicates data not available.

Table A.4C

USAID Goal: World Population Stabilized and Human Health Protected
USAID-Assisted Countries and Weighted Regional Averages

Country	Objective 4.1		Objective 4.2				Objective 4.3				Objective 4.4			Objective 4.5	
	Reduced Pregnancies		Improved Child Health and Nutrition				Improved Maternal Health				Reduced HIV Transmission			Reduced Infectious Diseases	
	Total fertility rate		Under-5 mortality rate		Percent of children under 5 underweight		Births attended by trained health personnel	Maternal mortality ratio	Early neonatal mortality rate		Adult HIV prevalence rate	Percent condom use with nonregular partner		Tuberculosis cases per 100,000 pop.	Malaria cases per 100,000 pop.
	1987	1997	1987	1997	Year	Percent			Year	Rate		1997	Male			Female	1995	1994
USAID-Assisted Total	4.4	3.3	141	102		36.1	44	488		29	1.57	30.8	20.1	87	1,636
Sub-Saharan Africa	6.7	5.7	191	162		31.7	36	875		30	7.99	45.3	34.6	76	16,851
Angola	6.7	6.3	244	193	..	..	15	1500	..	..	2.12	..	..	72	6,377
Benin	7.1	6.6	189	147	1996	29.2	45	500	1996	29.8	2.06	..	..	44	10,398
Burundi	7.0	6.5	175	159	1987	37.5	19	1300	1987	27	8.3	..	..	62	14,022
Eritrea	6.3	6.0	173	137	1995-96	43.7	21	1400	..	..	3.17	..	..	608	..
Ethiopia	7.1	6.9	205	199	1992	47.7	14	1400	..	..	9.31	47.9	47.1	26	..
Ghana	6.1	4.4	150	123	1993-94	27.3	44	740	1993	33.6	2.38	..	..	24	..
Guinea	6.1	5.7	251	206	..	..	31	880	..	..	2.09	28.0	15.0	52	8,567
Guinea-Bissau	5.9	5.3	224	184	..	..	27	910	..	..	2.25	..	..	163	..
Kenya	6.4	4.3	102	107	1994	22.5	45	650	1993	21.6	11.64	..	..	100	23,068
Liberia	6.6	6.2	178	140	..	..	58	..	1988	54.0	3.65	..	..	46	..
Madagascar	6.4	5.8	178	156	1995	34.1	57	660	1992	29.6	0.12	..	..	80	..
Malawi	7.2	5.8	253	234	1995	29.9	55	620	1992	34.5	14.92	..	..	172	49,410
Mali	7.3	7.1	273	224	1995-96	40.0	24	580	1995/96	45.9	1.67	..	..	29	..
Mozambique	6.4	6.1	217	181	1995	27.0	25	1500	..	..	14.17	31.0	19.0	11	..
Namibia	..	5.1	..	126	1992	26.2	68	220	1992	27.5	19.94	..	..	100	27,209
Niger	..	7.4	..	279	1992	42.6	15	593	1992	25.3	1.45	..	..	22	9,238
Nigeria	6.6	6.2	191	141	1990	35.3	31	1000	1990	32.9	4.12	..	..	12	..
Rwanda	7.4	5.9	185	182	1992	29.4	26	1300	1992	29.9	12.75	..	..	38	..
Senegal	..	6.2	..	121	1992-93	22.2	46	510	1997	24.4	1.77	..	..	91	..
Somalia	7.3	6.8	213	213	..	..	2	..	..	..	0.25	..	..	31	..
South Africa	..	3.2	..	96	1994-95	9.2	82	230	..	..	12.91	..	..	210	25
Tanzania	6.4	5.6	187	163	1996	30.6	53	530	1996	23.8	9.42	34.8	17.2	134	27,343
Uganda	7.3	7.2	182	169	1995	25.5	38	550	1995	23.3	9.51	64.0	49.0	120	..
Zambia	7.0	6.5	173	182	1996-97	23.5	51	230	1996	26	19.07	46.0	23.0	135	44,498
Zimbabwe	5.8	4.0	102	123	1994	15.5	69	280	1994	19.6	25.84	60.0	38.0	274	2,964

Table A.4C

USAID Goal: World Population Stabilized and Human Health Protected
USAID-Assisted Countries and Weighted Regional Averages

Country	Objective 4.1 Reduced Pregnancies		Objective 4.2 Improved Child Health and Nutrition				Objective 4.3 Improved Maternal Health				Objective 4.4 Reduced HIV Transmission			Objective 4.5 Reduced Infectious Diseases	
	Total fertility rate		Under-5 mortality rate		Percent of children under 5 underweight		Births attended by trained health personnel	Maternal mortality ratio	Early neonatal mortality rate		Adult HIV prevalence rate	Percent condom use with nonregular partner		Tuberculosis cases per 100,000 pop.	Malaria cases per 100,000 pop.
	1987	1997	1987	1997	Year	Percent			Year	Rate		1997	Male			Female	1995	1994
	1990/96	1990/96	Year	Rate	1990/96	1992/96	1992/96	1992/96	1992/96	1992/96	1992/96	1992/96	1992/96	1992/96	1992/96
Asia and Near East	4.1	3.2	128	94	..	46.4	37	450	..	31.8	0.55	..	..	108	309
Bangladesh	5.0	3.5	184	145	1996-97	56.3	14	850	1996/97	36.3	0.03	..	..	35	143
Cambodia	5.8	5.8	198	183	..	..	47	900	..	..	2.40	..	..	142	870
Egypt	4.7	3.5	126	97	1995-96	12.4	46	170	1995	23.7	0.03	..	..	37	..
India	4.1	3.3	..	94	1992-93	53.4	34	437	1992/94	35.6	0.82	..	..	130	243
Indonesia	3.3	2.7	120	85	1995	34.0	36	390	1994	22.9	0.05	..	..	16	..
Israel	3.1	2.7	12	10	..	..	99	7	..	..	0.07	..	..	7	..
Jordan	6.7	4.9	54	43	1990	6.4	87	150	1990	17.1	0.02	..	..	9	..
Lebanon	3.0	2.3	61	42	1996	3.0	45	300	..	..	0.09	..	..	33	..
Mongolia	..	2.9	..	103	1992	12.3	99	65	..	..	0.01	..	..	125	..
Morocco	4.8	3.5	103	71	1992	9.5	40	372	1995	21.7	0.03	..	..	110	1
Nepal	5.9	5.0	160	113	1996	46.9	9	1500	1995	33.3	0.24	..	..	90	45
Philippines	4.2	3.6	64	49	1993	29.6	53	208	1993	15.4	0.06	..	..	348	345
Sri Lanka	2.5	2.2	34	25	1993	37.7	94	30	1987	12.7	0.07	..	..	32	1,540
Vietnam	4.0	2.6	..	54	1994	44.9	95	105	..	..	0.02	..	..	47	1,189
West Bank/Gaza	5.5	5.1	55	36	..	..	..	..	..	..	..	..	..	..	..
Europe and NIS	3.4	1.7	93	47	..	8.3	89	80	..	19.8	0.08	..	..	49	41
Albania	..	2.6	..	60	..	..	99	28	..	..	0.01	..	..	19	..
Armenia	..	1.7	..	55	..	..	..	21	..	..	0.01	..	..	28	..
Azerbaijan	..	2.8	..	93	1996	10.1	..	44	..	..	<0.005	..	..	19	9
Bosnia	..	1.1	..	63	..	..	..	..	..	..	0.04	..	..	62	..
Bulgaria	..	1.1	..	16	..	..	100	20	..	..	0.01	..	..	37	..
Croatia	..	1.6	..	10	1995-96	0.6	..	12	..	..	0.01	..	..	47	..
Cyprus	2.3	2.1	..	9	..	..	100	..	..	..	0.26	..	..	..	..
Georgia	..	1.6	..	57	..	..	..	19	..	..	0.01	..	..	30	..
Hungary	..	1.5	..	12	1980-88	2.2	99	14	..	..	0.04	..	..	43	..
Ireland	2.3	1.8	..	7	..	..	..	10	..	..	0.09	..	..	..	..
Kazakstan	..	2.1	..	68	1995	8.3	99	53	1996	8.5	0.03	..	..	66	..
Kyrgyzstan	..	2.7	..	95	..	..	..	650	1997	27.8	0.01	..	..	0	..
Lithuania	..	1.5	..	18	..	..	..	13	..	..	0.01	..	..	64	..
Moldova	..	1.9	..	50	..	..	..	33	..	..	0.11	..	..	66	..
Poland	..	1.4	..	15	..	..	99	10	..	..	0.06	..	..	42	..

Table A.4C

USAID Goal: World Population Stabilized and Human Health Protected
USAID-Assisted Countries and Weighted Regional Averages

Country	Objective 4.1 Reduced Pregnancies		Objective 4.2 Improved Child Health and Nutrition				Objective 4.3 Improved Maternal Health				Objective 4.4 Reduced HIV Transmission			Objective 4.5 Reduced Infectious Diseases	
	Total fertility rate		Under-5 mortality rate		Percent of children under 5 underweight		Births attended by trained health personnel	Maternal mortality ratio	Early neonatal mortality rate		Adult HIV prevalence rate	Percent condom use with nonregular partner		Tuberculosis cases per 100,000 pop.	Malaria cases per 100,000 pop.
	1987	1997	1987	1997	Year	Percent			Year	Rate		1997	Male			Female	1995	1994
	1990/96	1990/96	Year	Rate	1997	Male	Female	1995	1994						
Romania	..	1.2	..	24	1991	5.7	100	41	..	..	0.01	..	..	102	..
Russia	..	1.4	..	28	1995	3.0	..	53	..	..	0.05	..	..	58	0
Serbia and Montenegro	..	..	..	0	1996	1.6	..	12	..	..	0.10	..	..	26	..
Slovak Republic	..	1.3	..	12	..	..	..	8	..	..	0.01	..	..	0	..
Tajikistan	..	3.6	..	129	..	..	..	74	..	..	0.01	..	..	33	..
Turkey	3.5	2.5	93	50	1993	10.4	76	180	1993	22.7	0.01	..	..	37	141
Turkmenistan	..	3.3	..	91	..	..	..	44	..	..	0.01	..	..	47	..
Ukraine	..	1.4	..	26	..	..	100	30	..	..	0.43	..	..	42	..
Uzbekistan	..	2.9	..	87	1996	18.8	..	24	1996	18.0	0.01	..	..	43	..
Latin America/Caribbean	3.6	2.9	71	52		11.1	76	176		16.6	0.63	18.4	8.0	54	281
Bolivia	5.1	4.2	..	125	1993-94	14.9	47	370	1994	27.2	0.07	65.1	33.4	130	480
Brazil	3.1	2.4	66	49	1996	5.7	88	160	1996	14.3	0.63	14.7	4.3	54	360
Dominican Republic	3.6	3.1	84	56	1991	10.3	96	110	1996	18.7	1.89	..	..	52	22
Ecuador	..	2.9	..	44	1986	16.5	64	150	1987	25.6	0.28	..	..	69	267
El Salvador	4.3	3.1	..	39	1993	11.2	87	300	..	..	0.58	..	..	42	51
Guatemala	5.7	4.9	108	75	1995	26.6	35	190	1995	20.7	0.52	..	..	32	214
Guyana	2.8	2.2	75	70	1993	18.3	90	..	..	..	2.13	..	..	35	4,819
Haiti	6.2	4.8	185	158	1994-95	27.5	21	600	1994/95	18.3	5.17	32.0	12.0	..	331
Honduras	..	4.3	..	61	1993-94	18.3	88	220	..	..	1.46	..	..	88	949
Jamaica	2.9	2.4	25	17	1993	10.2	82	120	..	..	0.99	74.0	17.0	4	0
Mexico	3.8	3.0	53	34	1988	14.2	77	110	..	..	0.35	..	..	12	14
Nicaragua	5.4	4.4	95	58	1993	11.9	61	160	..	..	0.19	..	..	64	1,035
Panama	3.2	2.6	40	30	1992	6.1	86	55	..	..	0.61	..	..	50	26
Paraguay	4.8	4.3	66	50	1990	3.7	66	190	1990	15.2	0.13	..	79.1	36	12
Peru	4.2	3.4	95	58	1996	7.8	56	280	1996	17.5	0.56	..	..	191	528

Refer to annex C text for definition of summary table aggregates.

Refer to Table A.4 Notes for definition of indicators and weights used.

.. indicates data not available.

TABLE A.4 NOTES

USAID GOAL: World Population Stabilized and Human Health Protected

Indicator: total fertility rate

Source: U.S. Bureau of the Census, International Database, June 1998.

Definition: The total fertility rate represents the number of children that would be born to a woman if she were to live to the end of her childbearing years and bear children in accordance with prevailing age-specific fertility rates. Data are for 1987 and 1997. *Applied weight indicator:* female population of childbearing age, 15–49.

Indicator: under-5 mortality rate

Source: U.S. Bureau of the Census, International Database, June 1998.

Definition: Under-5 mortality rate is the probability that a newborn baby will die before reaching age 5, if subject to current age-specific mortality rates (per 1,000 live births). Data are for 1987 and 1997. *Applied weight indicator:* annual live births.

Indicator: percent of children under 5 years who are underweight (weight for age)

Source: World Health Organization, *Global Database on Child Growth and Malnutrition, 1997.*

Definition: The percent of children under 5 years of age who are moderately or severely underweight, defined as below minus two standard deviations from median weight for age reference population (an international reference population defined by NCHS/CDC/WHO). Data are for the most recent year available, 1987 and 1997.

Applied weight indicator: population under age 5.

Indicator: births attended by trained health personnel

Source: World Health Organization data reported in UNICEF, *State of the World's Children, 1998.*

Definition: Percentage of births attended by physicians, nurses, midwives, or primary health care workers trained in midwifery skills. *Applied weight indicator:* annual live births.

Indicator: maternal mortality ratio

Source: WHO; Demographic Health Surveys; UNICEF. Obtained from World Bank, *World Development Indicators, 1998.*

Definition: Maternal mortality ratio is the number of female deaths that occur during pregnancy and childbirth per 100,000 live births. Data are for the most recent years available, 1990 and 1996. *Applied weight indicator:* annual live births.

Indicator: early neonatal mortality rate

Source: Demographic and Health Surveys, compiled by Macro International, 1998.

Definition: Early neonatal mortality is defined as the death of a live-born infant during the first week of life (0–6 days). The rate is the number of early neonatal deaths per 1,000 live births. Data are for the most recent survey years available, 1990 and 1996. *Applied weight indicator:* annual live births.

Indicator: HIV/AIDS prevalence rate in the adult population

Source: World Health Organization/UNAIDS, *Report on the Global HIV/AIDS Epidemic, June 1998*.

Definition: Estimated number of adults living with HIV/AIDS at the end of 1997 divided by the 1997 adult population. Adults are defined as ages 15–49. *Applied weight indicator:* adult population, ages 15–44.

Indicator: percent condom use with nonregular partner

Source: World Health Organization/UNAIDS, *Report on the Global HIV/AIDS Epidemic, June 1998*, USAID data provided by CIHI.

Definition: The percentage of adults who report having used a condom during the most recent intercourse with a nonregular sex partner. This data varies by age group, year reported, and by gender. Adults are defined as ages 15–49. *Applied weight indicator:* adult population, ages 15–44.

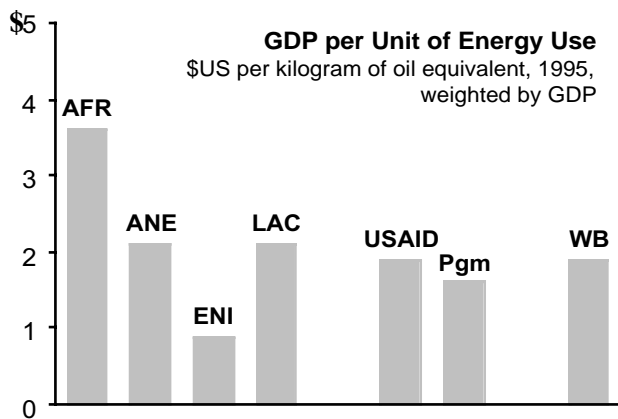
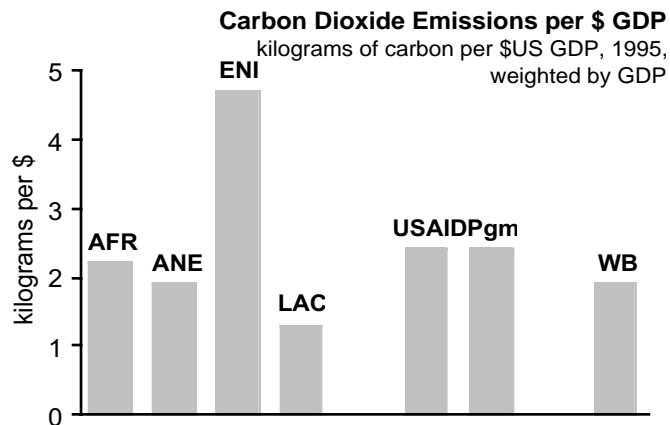
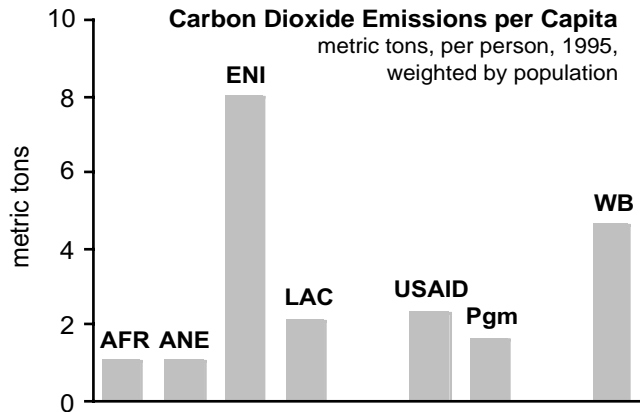
Indicator: reported number of cases of tuberculosis and malaria per 100,000 population

Source: World Health Organization data reported by World Resources Institute in *World Resources, 1998–99*.

Definition: Estimates obtained or derived from relevant WHO programs or from responsible international agencies. Data are on number of cases for most recent year, 1995 for tuberculosis and 1994 for malaria. *Applied weight indicator:* total population.

Figure A.6. Environment Indicators Regional Averages for USAID-Assisted Countries

See Table A.5 Notes for sources and definitions.



KEY	
AFR	Africa Bureau, assisted
ANE	ANE Bureau, assisted
ENI	ENI Bureau, assisted
LAC	LAC Bureau, assisted
USAID	USAID-assisted average
Pgm	USAID with contributing programs (see Matrix A.2B)
WB	Average for upper-middle-income countries (World Bank-defined)

Table A.5A

USAID Goal: The World's Environment Protected for Long-Term Sustainability**Weighted Averages—Summary**

	Goal 5			Objective 5.1			Objective 5.2		Objective 5.3				Objective 5.4		Objective 5.5		
	Environment Protected			Carbon Dioxide Emissions			Conserved Biological Diversity		Sustainable Urbanization				Sound Energy Services		Natural Resources Management		
	National conservation strategy	Country environmental profile	Biological diversity profile	metric tons			Nationally protected areas		Access to safe water		Access to sanitation		GDP per unit of energy use		Total forest area thousand sq. kms	Deforestation	
				Metric tons per capita	Kgs per \$ GDP	avg. annual % growth 1985-95	thousand sq. kms	percent of total land	percent of urban population	percent of urban population	US \$ per Kg of oil equivalent	US \$ per Kg of oil equivalent	sq. km change 1990-95	average annual % change 1990-95			
number of countries			1995	1995	1985-95	1994	1994	1985	1991-95	1985	1991-95	1985	1995	1995	1990-95	1990-95	
Weighted Average																	
USAID-Assisted Total	41	35	32	2.3	2.4	-0.5	2,812	4.7	74	78	43	69	2.1	1.9	20,579	-79,876	-0.4
Sub-Saharan Africa	20	13	13	1.0	2.2	1.7	769	5.7	69	66	51	65	3.1	3.6	2,305	-19,054	-0.8
Asia and Near East	10	9	8	1.0	1.9	6.9	478	5.3	70	78	29	68	2.3	2.1	2,216	-17,406	-0.8
Eastern Europe and NIS	3	1	3	7.9	4.7	-4.7	830	3.5	99	98	97	86	1.0	0.9	8,426	4,804	0.1
Latin America/Caribbean	8	12	8	2.1	1.3	3.3	736	5.2	85	84	54	66	2.5	2.1	7,633	-48,220	-0.6
<i>Postconflict Transition</i>	8	7	4	1.3	2.1	7.1	278	5.1	47	72	37	69	2.4	2.1	1,777	-18,410	-1.0
<i>Sustainable Development</i>	33	28	28	2.4	2.4	-1.0	2,534	4.6	78	79	44	69	2.1	1.9	18,802	-61,466	-0.3
<i>With Contributing Programs</i>	29	28	28	2.3	2.4	0.7	1,846	5.1	76	84	39	70	1.9	1.6	18,299	-76,932	-0.4
Non-USAID Assisted	9	11	11	2.9	4.1	5.0	1,754	6.0	70	88	69	60	1.2	1.3	4,304	-24,790	-0.6
All Countries	71	57	55	4.0	1.8	1.8	8,587	6.6	79	82	53	68	2.8	2.8	32,720	-101,724	-0.3
Income Groups																	
Low Income	37	31	26	1.4	4.1	4.7	2,008	5.1	72	80	35	62	1.5	1.6	6,227	-38,690	-0.6
Lower Middle Income	16	22	17	4.5	2.7	-0.4	2,149	5.5	75	86	69	75	1.9	1.6	12,884	-37,888	-0.3
Upper Middle Income	7	3	6	4.6	1.9	1.6	833	4.1	91	87	63	76	2.0	1.9	7,100	-36,710	-0.5
High Income	11	1	6	12.5	0.8	1.7	3,597	11.6	100	100	100	100	3.6	3.7	6,508	11,564	0.2
Regions																	
East Asia and the Pacific	8	6	7	2.4	4.4	5.8	990	6.2	55	87	39	61	1.1	1.2	3,756	-29,826	-0.8
Europe and Central Asia	4	1	3	7.9	4.7	-4.9	858	3.6	99	98	97	86	0.9	0.8	8,590	5,798	0.1
Latin America/Caribbean	10	15	11	2.6	1.4	3.6	1,292	6.4	83	84	60	70	2.4	2.1	9,064	-57,766	-0.6
Near East and North Africa	3	7	4	3.9	1.7	5.4	291	2.7	93	89	93	68	2.4	2.0	89	-800	-0.9
South Asia	5	5	4	0.8	2.0	6.3	201	4.2	75	78	31	67	2.1	1.9	744	-1,316	-0.2
Sub-Saharan Africa	30	22	20	0.8	1.9	1.9	1,358	5.8	65	63	48	61	4.0	4.2	3,969	-29,378	-0.7

Refer to annex C text for summary table aggregates.

Refer to Table A.5 Notes for definitions of indicators and weights used.

. . . indicates data not available.

Table A.5B

USAID Goal: The World's Environment Protected for Long-Term Sustainability**Country Averages—Summary**

	Goal 5			Objective 5.1			Objective 5.2		Objective 5.3				Objective 5.4		Objective 5.5		
	Environment Protected			Carbon Dioxide Emissions			Conserved Biological Diversity		Sustainable		Urbanization		Sound Energy Services		Natural Resources Management		
	National conservation strategy	Country environmental profile	Biological diversity profile	Metric tons per capita	Metric tons		Nationally protected areas		Access to safe water		Access to sanitation		GDP per unit of energy use		Total forest area thousand sq. Km	Deforestation	
					Kgs per \$ GDP	avg. annual % growth 1985–95	thousand sq. kms	percent of total land	percent of urban population	percent of urban population	US \$ per Kg of oil equivalent	sq. km change 1990–95	average annual % change 1990–95				
Country Averages			1995	1995	1985–95	1994	1994	1985	1991–95	1985	1991–95	1985	1995	1995	1995	1990–95	1990–95
USAID-Assisted Total	41	35	32	2.4	2.0	-0.8	2,812	6.2	75	70	66	69	3.8	3.6	20,579	-79,876	-0.8
Sub-Saharan Africa	20	13	13	0.6	0.8	-0.4	769	6.7	63	62	58	61	5.6	6.9	2,305	-19,054	-0.7
Asia and Near East	10	9	8	1.8	1.3	5.2	478	6.0	77	66	45	58	3.7	3.1	2,216	-17,406	-1.6
Eastern Europe and NIS	3	1	3	5.0	4.6	-8.1	830	4.0	99	99	95	87	1.3	1.0	8,426	4,804	0.5
Latin America/Caribbean	8	12	8	1.5	1.2	4.7	736	9.1	79	79	66	71	3.4	2.5	7,633	-48,220	-2.3
<i>Postconflict Transition</i>	8	7	4	1.0	2.0	-5.6	278	5.0	62	65	53	59	4.9	3.6	1,777	-18,410	-1.1
<i>Sustainable Development</i>	33	28	28	2.8	1.9	0.6	2,534	6.5	79	71	70	72	3.6	3.6	18,802	-61,466	-0.7
<i>With Contributing Programs</i>	29	28	28	2.4	1.9	1.7	1,846	9.0	85	79	74	71	2.4	1.6	18,299	-76,932	-1.6
Non-USAID Assisted	9	11	11	3.7	1.5	3.1	1,754	7.5	76	77	74	71	4.1	3.9	4,304	-24,790	-0.9
All Countries	71	57	55	4.6	1.6	1.3	8,587	7.4	81	76	73	75	4.1	4.0	32,720	-101,724	-0.6
Income Groups																	
Low Income	37	31	26	0.5	1.3	-0.1	2,008	5.6	63	60	47	57	6.3	6.1	6,227	-38,690	-0.8
Lower Middle Income	16	22	17	3.3	2.4	1.4	2,149	7.1	86	84	80	77	3.0	2.5	12,884	-37,888	-1.0
Upper Middle Income	7	3	6	6.6	1.9	1.9	833	7.0	95	92	86	88	2.6	2.8	7,100	-36,710	-0.4
High Income	11	1	6	11.9	0.8	3.1	3,597	12.3	100	100	99	100	3.5	3.8	6,508	11,564	0.3
Regions																	
East Asia and the Pacific	8	6	7	2.0	1.6	4.4	990	6.1	73	79	59	76	3.4	3.6	3,756	-29,826	-1.3
Europe and Central Asia	4	1	3	5.2	4.6	-8.3	858	5.1	99	99	95	87	1.9	0.9	8,590	5,798	0.4
Latin America/Caribbean	10	15	11	2.7	1.3	4.1	1,292	9.6	85	83	74	71	3.5	3.2	9,064	-57,766	-1.8
Near East and North Africa	3	7	4	6.1	1.7	4.8	291	3.6	95	93	92	82	2.2	1.9	89	-800	-1.5
South Asia	5	5	4	0.4	1.2	6.2	201	6.2	60	60	31	60	6.1	5.5	744	-1,316	-1.2
Sub-Saharan Africa	30	22	20	0.6	0.7	1.1	1,358	6.3	64	62	53	57	6.2	6.8	3,969	-29,378	-0.7
<i>Percent of countries with missing data</i>				34	35	34	18	41	48	50	50	41	29	28	73	73	73

Refer to annex C text for summary table aggregates.

Refer to Table A.5 Notes for definitions of indicators.

. . . indicates data not available.

Table A.5C

USAID Goal: The World's Environment Protected for Long-Term Sustainability**USAID-Assisted Countries**

Countries	Goal 5			Objective 5.1			Objective 5.2		Objective 5.3		Objective 5.4		Objective 5.5				
	Environment Protected			Carbon Dioxide Emissions			Conserved Biological Diversity		Sustainable	Urbanization	Sound Energy Services		Natural resources management				
	National conservation strategy	Country environmental profile	Biological diversity profile	Metric tons per capita	Kgs per \$ GDP	Metric tons avg. annual % growth 1985-95	Nationally protected areas		Access to safe water	Access to sanitation	GDP per unit of energy use		Total forest area	Deforestation			
	year adopted			1995	1995	1985-95	thousand sq. kms	percent of total land	percent of urban population	percent of urban population	US \$ per kg of oil equivalent	1985	1995	1995	sq. km change 1990-95	average annual % change 1990-95	
USAID-Assisted Total				2.3	2.4	-0.5	2,912	4.7	74	64	43	57	2.1	1.9	20,579	-79,876	-0.4
Sub-Saharan Africa				1.0	2.2	1.7	769	5.7	69	18	51	35	3.1	3.6	2,305	-19,054	-0.8
Angola				0.4	0.6	0.6	26	2.1	80	..	27	..	6.6	7.7	222	-2,370	-1.1
Benin	1993			0.1	0.3	1.8	8	7.0	45	..	45	..	8.2	18.4	46	-596	-1.3
Burundi	1994	1981	1989	<0.05	0.2	3.8	1	3.5	33	..	90	..	10.6	7.7	3	-14	-0.4
Eritrea	1995			..	..	..	..	..	..	..	..	..	..	..	3	0	0.0
Ethiopia	1994		1991	0.1	0.4	5.3	60	6.0	93	..	..	..	8.4	7.4	136	-624	-0.5
Ghana	1992	1985	1988	0.2	0.6	3.0	11	4.9	57	..	47	50	4.7	4.6	90	-1,172	-1.3
Guinea	1994	1983	1988	0.2	0.4	1.2	2	0.7	91	..	..	..	..	6.7	64	-748	-1.2
Guinea-Bissau	1993		1991	0.2	1.0	5.7	..	..	21	18	..	..	5.0	5.8	23	-104	-0.5
Kenya	1994	1989	1992	0.3	0.7	5.0	35	6.2	61	..	75	..	3.5	3.4	13	-34	-0.3
Liberia				0.1	..	-11.2	..	..	50	..	24	..	3.3	..	..	..	..
Madagascar	1988		1991	0.1	0.4	-1.5	11	1.9	81	..	8	12	6.2	5.8	151	-1,300	-0.9
Malawi	1994	1982		0.1	0.5	3.7	11	11.3	70	..	88	..	3.8	3.8	33	-546	-1.6
Mali		1991	1989	0.1	0.2	2.2	40	3.3	..	..	90	..	9.7	12.1	116	-1,138	-1.0
Mozambique	1994			0.1	0.4	-0.9	<0.5	0.0	..	..	..	..	2.3	3.4	169	-1,162	-0.7
Namibia	1992			..	..	..	102	12.4	..	..	..	77	..	..	124	-420	-0.3
Niger		1985	1991	0.1	0.5	1.7	84	6.6	48	..	36	..	7.7	7.5	26	0	0.0
Nigeria	1990		1992	0.8	2.7	5.1	30	3.3	60	..	30	..	1.9	1.9	138	-1,214	-0.9
Rwanda	1991	1987		0.1	0.4	1.1	3	13.3	55	..	60	..	7.7	6.3	3	-4	-0.2
Senegal	1984	1990	1991	0.4	0.6	3.9	22	11.3	63	..	87	..	5.4	6.2	74	-496	-0.7
Somalia				0.0	..	-45.3	..	..	57	..	44	..	2.1	..	..	..	..
South Africa	1993			8.3	3.4	0.7	70	5.7	..	..	..	..	1.0	1.0	85	-150	-0.2
Tanzania	1994	1989	1988	0.1	..	<0.05	139	15.7	85	..	90	..	..	..	325	-3,226	-1.0
Uganda	1994	1982	1988	0.1	0.1	5.3	19	9.6	45	..	40	..	17.0	24.8	61	-592	-1.0
Zambia	1994	1988		0.3	1.1	-2.0	64	8.6	70	..	56	..	1.4	1.7	314	-2,644	-0.8
Zimbabwe	1987	1982		0.9	1.5	1.6	31	7.9	100	..	100	..	1.7	1.4	87	-500	-0.6

Table A.5C

USAID Goal: The World's Environment Protected for Long-Term Sustainability**USAID-Assisted Countries**

Countries	Goal 5			Objective 5.1			Objective 5.2		Objective 5.3				Objective 5.4		Objective 5.5		
	Environment Protected			Carbon Dioxide Emissions			Conserved Biological Diversity		Sustainable		Urbanization		Sound Energy Services		Natural resources management		
	National conservation strategy	Country environmental profile	Biological diversity profile	Metric tons per capita	Kgs per \$ GDP	Metric tons avg. annual % growth 1985-95	Nationally protected areas		Access to safe water		Access to sanitation		GDP per unit of energy use		Total forest area	Deforestation	
	year adopted			1995	1995	1985-95	thousand sq. kms	percent of total land	percent of urban population	percent of urban population	percent of urban population	percent of urban population	US \$ per kg of oil equivalent	1995	sq. km change 1990-95	average annual % change 1990-95	
Asia and Near East				1.0	1.9	6.9	478	5.3	70	45	29	..	2.3	2.1	2,216	-17,406	-0.8
Bangladesh	1991	1989	1990	0.2	0.9	6.9	1	0.8	29	42	21	..	4.1	3.0	10	-88	-0.9
Cambodia	1997			0.1	0.4	1.6	30	17.0	..	..	..	..	..	2.6	98	-1,638	-1.6
Egypt	1992	1992	1988	1.6	1.7	3.2	8	0.8	..	..	..	..	1.6	1.6	<0.5	0	0.0
India	1993	1989	1994	1.0	2.2	6.4	143	4.8	80	..	30	..	1.8	1.7	650	72	0.0
Indonesia	1992	1994	1993	1.5	2.1	11.1	186	10.3	40	..	30	..	1.9	1.6	1,098	-10,844	-1.0
Israel				8.4	0.8	6.0	3	14.9	..	..	..	..	4.2	3.5	1	0	0.0
Jordan	1991	1979		3.2	1.7	4.4	3	3.3	100	..	91	..	2.1	1.9	<0.5	-12	-2.5
Lebanon				3.3	2.4	6.0	<0.5	0.4	98	..	94	..	0.1	1.3	1	-52	-8.5
Mongolia	1995			3.4	..	-1.0	62	3.9	100	..	..	..	..	..	94	0	0.0
Morocco		1980	1988	1.1	1.3	5.5	4	0.8	..	..	..	..	3.5	2.8	38	-118	-0.3
Nepal	1993	1983		0.1	0.3	8.8	11	8.1	78	64	6	..	11.7	6.4	48	-548	-1.1
Philippines	1989	1992	1989	0.9	1.4	6.7	6	2.0	..	..	..	..	2.2	2.0	68	-2,624	-3.6
Sri Lanka	1994	1983	1991	0.3	0.6	5.0	8	12.3	76	..	..	..	4.5	3.8	18	-202	-1.1
Vietnam			1993	0.4	0.5	2.9	13	4.1	90	..	..	..	6.7	7.8	91	-1,352	-1.4
West Bank and Gaza				..	..	..	..	..	..	..	..	..	..	..	..	..	..
Europe and NIS				7.9	4.7	-4.7	830	3.5	99	98	97	100	1.0	0.9	8,426	4,804	0.1
Albania	1993			0.6	1.0	-14.9	<0.5	1.2	100	..	100	..	0.9	1.8	10	0	0.0
Armenia				1.0	3.4	0.2	2	7.6	..	..	..	..	0.6	0.6	3	84	2.7
Azerbaijan				5.7	14.6	-7.3	2	2.2	..	..	..	..	..	0.2	10	0	0.0
Bosnia				0.4	..	1.9	<0.5	0.5	..	..	..	..	..	..	27	0	0.0
Bulgaria		1994		6.8	2.5	-5.6	4	3.4	..	..	..	..	0.8	1.0	32	6	0.0
Croatia				3.6	..	2.8	4	6.9	..	98	72	..	..	..	18	0	0.0
Cyprus				7.1	..	4.5	..	..	100	100	100	100	3.1	..	..	..	..
Georgia				1.4	..	-19.4	2	2.7	..	..	..	..	..	..	30	0	0.0
Hungary	1995			5.5	2.3	-4.3	6	6.2	100	..	100	100	0.8	1.0	17	88	0.5
Ireland				9.0	0.7	1.4	<0.5	0.7	100	..	100	100	3.4	4.4	6	140	2.6
Kazakstan				13.3	13.8	-8.4	10	0.3	..	..	..	..	..	0.3	105	1,928	1.9
Kyrgyzstan				1.2	4.9	-20.8	3	1.5	..	..	81	..	..	0.5	7	0	0.0
Lithuania				4.0	2.1	-12.1	6	9.8	..	..	..	..	..	0.8	20	112	0.6
Moldova				2.5	..	-21.1	<0.5	0.2	..	..	..	..	..	..	4	0	0.0
Poland	1993		1991	8.8	5.1	-3.7	31	10.1	94	..	100	..	0.5	0.7	87	120	0.1

Table A.5C

USAID Goal: The World's Environment Protected for Long-Term Sustainability**USAID-Assisted Countries**

Countries	Goal 5			Objective 5.1			Objective 5.2		Objective 5.3				Objective 5.4		Objective 5.5		
	Environment Protected			Carbon Dioxide Emissions			Conserved Biological Diversity		Sustainable	Urbanization			Sound Energy Services		Natural resources management		
	National conservation strategy	Country environmental profile	Biological diversity profile	Metric tons per capita	Kgs per \$ GDP	Metric tons avg. annual % growth 1985-95	thousand sq. kms	percent of total land	Access to safe water percent of urban population	Access to sanitation percent of urban population			GDP per unit of energy use US \$ per kg of oil equivalent		Total forest area thousand sq. km	Deforestation sq. km change average annual % change	
	year adopted			1995	1995	1985-95	1994	1994	1985	1991-95	1985	1991-95	1985	1995	1995	1990-95	1990-95
Romania				5.3	3.9	-6.6	11	4.7	100	..	100	..	0.6	0.7	62	-12	0.0
Russia			1994	12.3	6.1	-3.3	705	3.9	..	..	..	..	0.5	0.5	7,635	0	0.0
Serbia and Montenegro				3.1	..	-2.9	3	3.4	..	..	..	..	..	..	18	0	0.0
Slovak Republic				7.1	2.3	-4.3	10	21.1	..	..	..	..	0.8	0.9	20	24	0.1
Tajikistan				0.6	2.5	-48.9	1	0.6	..	..	..	..	..	0.5	4	0	0.0
Turkey			1982	2.7	1.5	3.5	11	1.1	100	98	95	..	1.9	1.8	89	0	0.0
Turkmenistan				6.3	..	-12.6	11	2.4	..	..	..	..	..	..	38	0	0.0
Ukraine				8.5	..	-11.7	5	0.9	100	..	100	..	..	0.2	92	54	0.1
Uzbekistan				4.3	7.3	-0.5	2	0.6	..	..	..	..	..	0.3	91	2,260	2.6
Latin America/Caribbean				2.1	1.3	3.3	736	5.2	85	84	54	58	2.5	2.1	7,633	-48,220	-0.6
Bolivia	1994	1986	1988	1.4	1.8	10.9	92	8.5	81	75	51	..	2.4	2.0	483	-5,814	-1.2
Brazil			1988	1.6	0.8	2.8	322	3.8	..	..	33	55	3.2	2.7	5,511	-25,544	-0.5
Dominican Republic		1984	1995	1.5	1.6	4.1	10	21.7	72	..	72	..	2.2	1.9	16	-264	-1.6
Ecuador	1993	1987	1995	2.0	1.6	2.5	111	40.2	..	..	79	..	2.3	2.3	111	-1,890	-1.6
El Salvador	1994	1985	1988	0.9	0.9	10.1	<0.5	0.2	76	..	89	..	3.5	2.5	1	-38	-3.4
Guatemala	1994	1984	1988	0.7	0.7	7.4	13	7.7	89	91	73	78	5.7	4.4	38	-824	-2.1
Guyana				1.1	..	-2.9	..	..	100	..	100	..	0.8	1.6	..	..	..
Haiti		1985		0.1	0.5	-4.6	<0.5	0.4	59	..	42	..	5.6	3.3	<0.5	-8	-3.6
Honduras	1993	1989		0.7	0.7	6.6	9	7.7	51	..	22	89	6.1	3.8	41	-1,022	-2.4
Jamaica	1994	1987		3.6	2.4	8.3	<0.5	0.2	99	..	92	..	1.7	1.2	2	-158	-7.7
Mexico			1988	3.9	2.1	3.2	99	5.1	95	..	77	..	1.3	1.3	554	-5,080	-0.9
Nicaragua	1994	1981		0.6	0.7	2.2	9	7.4	77	..	35	..	4.2	3.1	56	-1,508	-2.6
Panama	1990	1980		2.6	1.0	9.0	13	17.8	100	..	99	..	5.1	3.9	28	-636	-2.2
Paraguay		1985		0.8	0.8	8.8	15	3.7	49	..	66	..	5.6	3.4	115	-3,266	-2.7
Peru		1988	1988	1.3	1.3	1.7	42	3.3	73	..	67	..	0.8	0.7	676	-2,168	-0.3

Refer to Annex C text for summary table aggregates.

Refer to Table 5 notes for definitions of indicators.

.. indicates data not available

TABLE A.5 NOTES

USAID GOAL: World's Environment Protected for Long-Term Sustainability

Indicator: national environmental management strategies

Sources: Data are from the World Resources Institute, UNEP, UNDP's *World Resources 1994–95*; the World Resources Institute, International Institute for Environment and Development, IUCN's *1996 World Directory of Country Environmental Studies*, and the World Bank Environment Department's *1996 National Environmental Strategies: Learning from Experience*. The information was obtained from the World Bank, *World Development Indicators, 1998*.

Definitions: Environmental strategies and action plans provide a comprehensive, cross-sectoral analysis of conservation and resource management issues to help integrate environmental concerns with the development process. They include national conservation strategies, national environmental action plans, national environmental management strategies, and national sustainable development strategies. The years shown refer to the year in which a strategy or action plan was adopted. Country environmental profiles identify how national economic and other activities can stay within the constraints imposed by the need to conserve natural resources. The years shown refer to the year in which a profile was completed. Biodiversity assessments, strategies, or action plans cover biodiversity assessments, country strategies or action plans, and

biodiversity profiles. The years shown refer to the year in which a treaty entered into force in a country. *Applied weight indicator:* n/a.

Indicator: national carbon dioxide (CO₂) emissions per capita

Sources: Data on CO₂ emissions are based on several sources as reported by the World Resources Institute. The main source is the Carbon Dioxide Information Analysis Center, Environmental Sciences Division, Oak Ridge National Laboratory. Population data are from the World Bank. All data were obtained from the World Bank, *World Development Indicators, 1998*.

Definition: CO₂ emissions from industrial processes are those stemming from the burning of fossil fuels, manufacture of cement, and gas flaring. Data are reported in metric tons of carbon (in the CO₂ emitted) per person (based on national total populations). Data are for 1995. *Applied weight indicator:* total population.

Indicator: national carbon dioxide emissions kg per 1987 \$US of gross domestic product (GDP)

Sources: Data calculated per country by the World Bank. Data on CO₂ emissions are based on several sources as reported by the World Resources Institute. The main source is the Carbon Dioxide Information Analysis Center, Environmental Sciences Division, Oak Ridge National Laboratory. GDP data is from the World Bank. All data was obtained from the World Bank, *World Development Indicators, 1998*.

Definition: Carbon dioxide (CO₂) emissions from industrial processes are

those stemming from the burning of fossil fuels, manufacture of cement, and gas flaring. Data are reported kilograms of carbon (in the CO₂ emitted) per \$1 GDP. Data are for 1995. *Applied weight indicator*: GDP (in current international dollars).

Indicator: average annual growth rate of carbon dioxide emissions

Sources: Data on CO₂ emissions are based on several sources as reported by the World Resources Institute. The main source is the Carbon Dioxide Information Analysis Center, Environmental Sciences Division, Oak Ridge National Laboratory. Data were obtained from the World Bank, *World Development Indicators*, 1998.

Definition: CO₂ emissions from industrial processes are those stemming from the burning of fossil fuels, manufacture of cement, and gas flaring. Data are reported as the least-squares average annual growth rate of carbon from 1985 to 1995. *Applied weight indicator*: national carbon dioxide emissions.

Indicator: nationally protected areas

Sources: Data on protected areas are from the World Conservation Monitoring Centre's Protected Areas Data Unit and were obtained from the World Bank, *World Development Indicators*, 1998.

Definition: Nationally protected areas are totally or partially protected areas of at least 1,000 hectares that are designed as national parks, natural monuments, nature reserves or wildlife sanctuaries, protected landscapes and seascapes, or scientific reserves with limited public access. The data do not

include sites protected under local or provincial law. Total land area is used to calculate the percentage of total area protected. *Applied weight indicator*: n/a.

Indicator: percent of the urban population with access to safe drinking water

Source: World Health Organization obtained from World Bank, *World Development Indicators*, 1998.

Definition: Reasonable access to safe drinking water in an urban area is defined by WHO as access to piped water or a public standpipe within 200 meters of a dwelling or housing unit. The WHO data are collected from national government agencies. Definitions of urban populations and services may vary and might not be strictly comparable. Data are for 1985 and 1995. *Applied weight indicator*: total urban population.

Indicator: percent of the urban population with access to sanitation services

Source: World Health Organization obtained from World Bank, *World Development Indicators*, 1998.

Definition: Urban areas with access to sanitation services are defined as urban populations served by connections to public sewers or household systems such as pit privies, pour-flush latrines, septic tanks, communal toilets, or other such facilities. The WHO data were collected from national government agencies. Definitions of urban populations and services may vary, and might not be strictly comparable. Data are for 1985 and 1995. *Applied weight indicator*: total urban population.

Indicator: GDP per unit of commercial energy use

Sources: World Bank, *World Development Indicators, 1998*. Original source for commercial energy production is the International Energy Agency.

Definition: GDP per unit of energy use is the U.S. dollar estimate of real GDP (at 1987 prices) per kilogram of oil equivalent of commercial energy use. Commercial energy use refers to apparent consumption, which is equal to indigenous production plus imports and stock changes, minus exports and fuels supplied to ships and aircraft engaged in international transportation. Data are for 1985 and 1995. *Applied weight indicator:* GDP (in current international dollars).

Indicator: average annual change in total forest area

Source: FAO, *State of the World's Forests, 1997*.

Definition: Total forest area includes both natural forest and plantation area. The change in natural forests includes the permanent conversion of natural forest area to other uses, including shifting cultivation, permanent agriculture, ranching, settlements, or infrastructure development. Deforested areas do not include areas logged but intended for regeneration or areas degraded by fuelwood gathering, acid precipitation, or forest fires. Thus, these data do not reflect the full extent of forest and biodiversity losses through degradation. Plantation refers to forest stands established artificially by reforestation for industrial and nonindustrial uses. FAO data may be particularly unreliable owing to differing national definitions and reporting systems. Data on total forest area are provided in thousands of hectares for 1990 and 1995. Total change during 1990–95 is expressed in hectares lost or gained. Negative numbers indicate a net loss of forestland while positive numbers indicate a net gain. An average annual percent change is also calculated. *Applied weight indicator:* total land area.

**Figure A.7. Humanitarian Assistance Indicators
Regional Averages for USAID-Assisted Countries**

See Table A.6 Notes for sources and definitions.

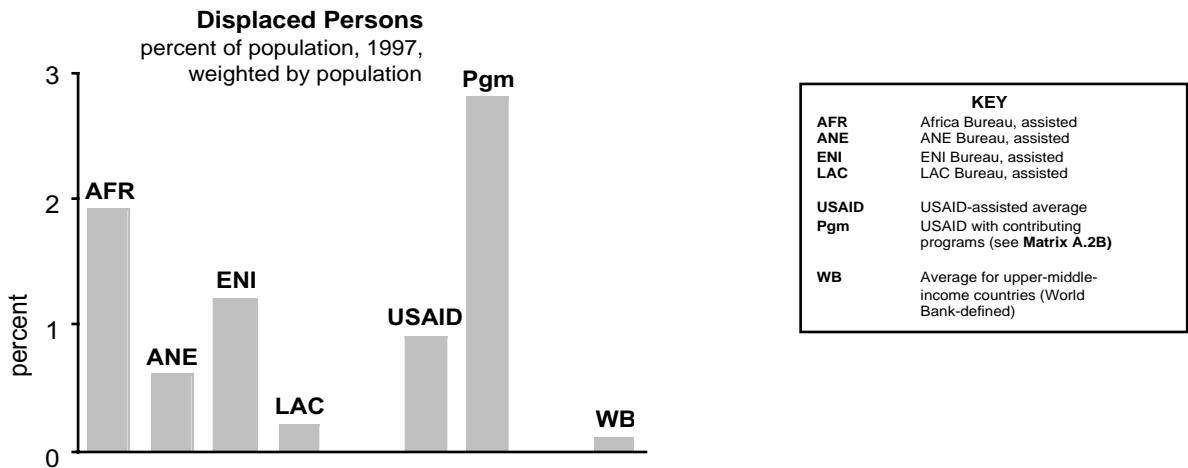
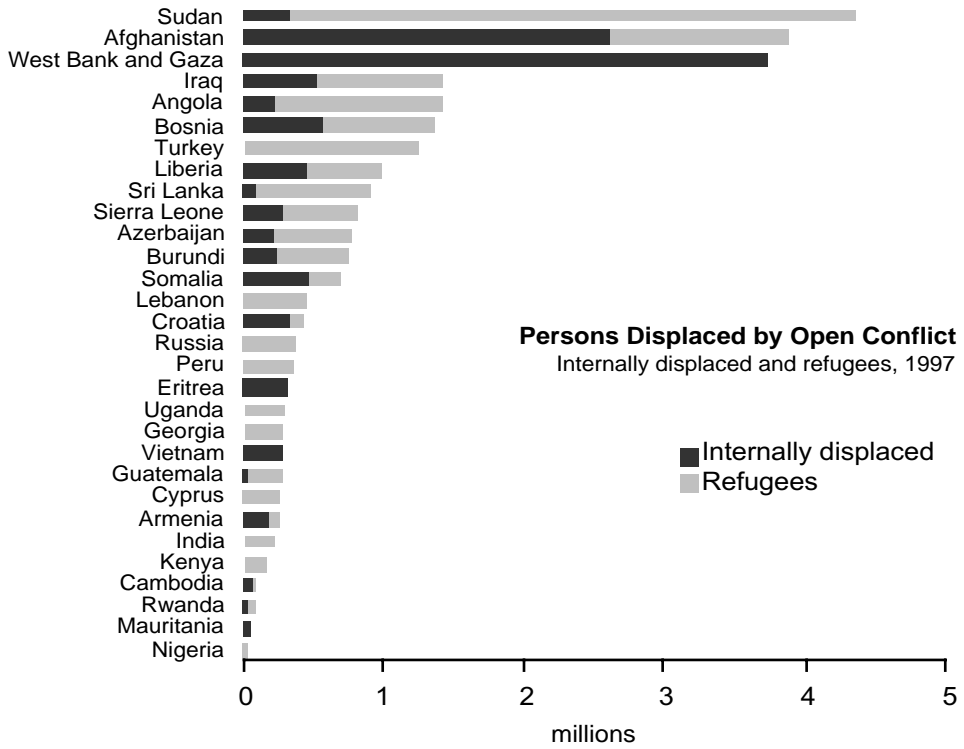


Table A.6A (A.6B) ^a

USAID Goal: Lives Saved, Suffering Associated With Natural or Man-Made Disasters Reduced, and Conditions Necessary for Political or Economic Development Reestablished

Weighted Averages

	Objective 6.2 Crisis Relief		Objective 6.3 Postconflict transitions								
	Percent of displaced children under 5 malnourished	Crude mortality rate of displaced populations	Persons displaced by open conflict				Freedom Index Freedom House Classifications				
			Displaced persons as % of total population		Weighted averages		Country averages				
			period average 1996–98	period average 1996–98	thousands 1990	thousands 1997	1990	1997	1990	1997	
Weighted Average											
USAID-Assisted Total			34,511.3	26,928.9	1.2	0.9	1.7	2.2	2.3	2.1	
Sub-Saharan Africa			18,713.2	10,112.0	4.2	1.9	2.5	2.4	2.6	2.2	
Asia and Near East			14,287.6	11,040.2	0.9	0.6	1.5	2.2	2.2	2.4	
Eastern Europe and NIS			298.0	5,098.9	0.1	1.2	2.2	1.9	2.3	2.0	
Latin America/Caribbean			1,212.5	677.9	0.4	0.2	1.5	1.9	1.7	1.6	
<i>Postconflict Transition</i>			25,008.7	21,423.1	7.1	5.4	2.4	2.8	2.7	2.5	
<i>Sustainable Development</i>			9,502.6	5,505.8	0.4	0.2	1.6	2.1	2.2	2.0	
<i>With Contributing Programs</i>			7,519.0	6,331.0	3.6	2.8	2.7	2.2	2.8	2.3	
Non-USAID Assisted			698.0	1,819.1	0.1	0.1	2.8	2.8	2.2	2.2	
All Countries			36,572.8	30,280.8	0.7	0.5	2.0	2.2	2.0	1.9	
Income Groups											
Low Income			25,495.8	19,703.8	0.9	0.6	2.2	2.5	2.6	2.3	
Lower Middle Income			5,367.7	9,438.9	0.5	0.9	2.0	2.3	1.9	1.9	
Upper Middle Income			4,140.8	463.5	1.0	0.1	1.6	1.7	1.8	1.6	
High Income			653.5	265.0	0.1	<0.05	1.0	1.0	1.3	1.2	
Regions											
East Asia and the Pacific			1,046.9	1,523.8	0.1	0.1	2.7	2.9	2.0	1.9	
Europe and Central Asia			30.0	4,833.9	<0.05	1.0	2.2	1.9	2.3	1.9	
Latin America/Caribbean			1,279.2	1,678.3	0.3	0.4	1.5	1.8	1.5	1.4	
Near East and North Africa			4,468.9	5,781.2	1.9	2.1	2.5	2.9	2.5	2.9	
South Asia			9,415.1	5,138.2	0.8	0.4	1.3	2.0	2.1	2.4	
Sub-Saharan Africa			18,764.2	10,651.0	3.7	1.8	2.6	2.4	2.6	2.3	

Regional and income aggregates not calculated owing to low coverage of refugee health data. See Table A.6C for available country-level data.

Refer to annex C text for definition of summary table aggregates.

Refer to Table A.6 Notes for definition of indicators.

Refugee data are summarized as totals; no weighted averages were used.

^aTable A.6A and A.6B combined to show weighted and country averages for Freedom House data.

Table A.6C

USAID Goal: Lives Saved, Suffering Associated With Natural or Man-Made Disasters Reduced, and Conditions Necessary for Political or Economic Development Reestablished

USAID-Assisted Countries

Country	Objective 6.2 Crisis Relief		Objective 6.3 Post-conflict transitions							
	Percent of displaced children under 5 malnourished	Crude mortality rate of displaced populations	Persons displaced by open conflict		Displaced persons as % of total population		Freedom Index ^a Freedom House Classifications			
			period average 1996-98	period average 1996-98	thousands 1990	thousands 1997	1990	1997	1990	1997
USAID-Assisted Total			34,511.3	26,928.9	1.2	0.9	1.7	2.2		
Sub-Saharan Africa			18,713.2	10,112.0	4.2	1.9	2.5	2.4		
Angola	10.4	..	1,139.7	1,423.0	12.4	12.8	3	3		
Benin	..	..	..	..	..	..	3	1		
Burkina Faso	..	..	..	..	..	..	3	2		
Burundi	6.1	1.1-1.46	186.2	748.0	3.4	11.7	3	3		
Cape Verde	..	..	..	..	..	..	3	1		
Chad	..	..	34.4	12.0	0.6	0.2	3	3		
Cote d'Ivoire	..	..	..	..	..	..	2	3		
Eritrea	..	..	..	322.5	..	8.7	..	2		
Ethiopia	15.2	5.0	2,066.3	48.3	4.0	0.1	3	2		
Gambia	..	..	..	..	..	..	1	3		
Ghana	..	..	..	32.0	..	0.2	3	2		
Guinea	..	..	..	..	..	..	3	3		
Guinea-Bissau	..	..	5.0	..	0.5	..	3	2		
Kenya	18.5	0.2	3.5	158.0	<0.05	0.6	3	3		
Lesotho	..	..	1.0	..	0.1	..	3	2		
Liberia	12.2	4.6	1,229.8	975.0	50.5	34.7	3	2		
Madagascar	..	..	..	..	..	..	2	2		
Malawi	..	..	0.2	..	<0.05	..	3	1		
Mali	..	..	21.4	16.0	0.3	0.2	3	1		
Mauritania	14.6	0.9	60.1	55.0	3.0	2.4	3	3		
Mozambique	10.2	..	3,427.5	..	24.2	..	3	2		
Namibia	..	..	0.3	..	<0.05	..	2	1		
Niger	..	..	3.5	10.0	0.1	0.1	3	3		
Nigeria	..	..	..	51.0	..	<0.05	2	3		
Rwanda	6.1	1.1-1.46	203.9	93.0	2.9	1.4	3	3		
Senegal	..	..	24.4	17.0	0.3	0.2	2	2		
Sierra Leone	12.2	4.6	..	797.0	..	17.2	2	3		
Somalia	17.8	..	854.6	685.9	9.9	7.0	3	3		
South Africa	..	..	4,140.0	5.0	12.2	<0.05	2	1		
Sudan	21.9	..	4,999.1	4,353.3	20.8	16.0	3	3		
Tanzania	..	..	..	..	..	..	3	2		
Uganda	11.5	0.2	312.3	310.0	1.9	1.6	2	2		
Zambia	..	..	..	..	..	..	2	2		
Zimbabwe	..	..	..	..	..	..	2	2		

Table A.6C

USAID Goal: Lives Saved, Suffering Associated With Natural or Man-Made Disasters Reduced, and Conditions Necessary for Political or Economic Development Reestablished

USAID-Assisted Countries

Country	Objective 6.2 Crisis Relief		Objective 6.3 Post-conflict transitions					
	Percent of displaced children under 5 malnourished	Crude mortality rate of displaced populations	Persons displaced by open conflict		Displaced persons as % of total population		Freedom Index ^a Freedom House Classifications	
			period average 1996-98	period average 1996-98	thousands 1990	thousands 1997	1990	1997
Romania	3	1
Russia	381.2	..	0.3	..	2
Serbia and Montenegro	3
Slovak Republic	2
Tajikistan	32.4	..	0.6	..	3
Turkey	30.0	1,260.8	0.1	2.0	2	2
Turkmenistan	3
Ukraine	2
Uzbekistan	46.0	..	0.2	..	3
Latin America/Caribbean			1,212.5	677.9	0.4	0.2	1.5	1.9
Bolivia	1	1
Brazil	1	2
Dominican Republic	1	2
Ecuador	1	2
El Salvador	437.2	4.4	8.7	0.1	2	1
Guatemala	157.4	280.0	1.7	2.6	2	2
Guyana	2	1
Haiti	0.6	..	<0.05	3	2
Honduras	22.0	..	0.4	..	1	1
Jamaica	1	1
Mexico	14.0	..	<0.05	2	2
Nicaragua	395.9	18.9	10.6	0.4	2	2
Panama	3	1
Paraguay	2	2
Peru	200.0	360.0	0.9	1.5	2	2

Refer to annex C text for definition of summary table aggregates.

Refer to Table A.6 Notes for definition of indicators.

.. Indicates data not available or no displaced populations.

^a Freedom House data reported in Table A.2 do not include additional PL 480 countries. Regional weighted averages in this table include these countries.

TABLE A.6 NOTES

USAID Goal: Lives Saved, Suffering Associated With Natural or Man-Made Disasters Reduced, and Conditions Necessary for Political or Economic Development Reestablished

Indicator: crude mortality rate for refugee populations

Sources: United Nations, Administrative Committee on Coordination, Subcommittee on Nutrition, Refugee Nutrition Information System (ACC/SCN RNIS); selected publications (1995–98) of the *Report on the Nutritional Situation of Refugees and Displaced Persons*.

Definition: Crude mortality rates in refugee populations are the number of deaths per 10,000 of the reference population per day. A normal population in a developed or developing country is around 1 per 1,000 per year, which is equivalent to 0.27/10,000 per day. Rates are given here as “times normal,” that is, as multiples of 0.27/10,000/day. (The Centers for Disease Control and Prevention have proposed that above 1/10,000/day constitutes a very serious situation and above 2/10,000/day is an emergency out of control). Data are survey averages during 1996–98. *Applied weight indicator:* n/a, data coverage is insufficient for regional aggregates.

Indicator: percent of refugee children under age 5 who are wasted (weight for height)

Sources: United Nations, Administrative Committee on Coordination, Subcommittee on Nutrition, Refugee Nutrition Information System (ACC/SCN RNIS); selected publications (1995–98) of the *Report on the Nutritional Situation of Refugees and Displaced Persons*.

Definition: The percent of refugee children under 5 who are moderately or severely wasted—below minus two standard deviations, or sometimes 80 percent, from the median weight for height of the reference population. Data are from surveys of selected refugee camps during 1996–98. The quality of the indicator varies and the coverage is spotty. This indicator should be treated as a rough proxy and interpreted with caution. *Applied weight indicator:* n/a, data coverage is insufficient for regional aggregates.

Indicator: number of people displaced by open conflict

Source: U.S. Committee on Refugees, *World Refugee Survey, 1998*.

Definition: Number of people displaced by open conflict is defined here as the number of refugees by country of origin and the number of internally displaced people. Refugees are “externally displaced” persons recognized to be outside their country of nationality or habitual residence (that is, their

country of origin). These are persons displaced by man-made disasters, violence, or conflict and do not include people displaced by natural disasters nor asylum seekers. The quality of the data varies greatly. This indicator should be treated as a rough proxy and interpreted with caution. Data are for 1990 and 1997. *Applied weight indicator:* n/a.

Indicator: country classifications as free, partly free, or not free

Source: Freedom House, *Freedom in the World* annual surveys, data obtained from Freedom House.

Definition: Each year, the Freedom House survey team classifies countries as free (=1), partly free (=2), or not free (=3), based on ratings of political rights and civil liberties (each is scored sepa-

rately on a 7-point scale with 1 representing most free and 7 the least free). A country is assigned to one of the three categories based on responses to a checklist of questions about political rights and civil liberties and on the judgments of the Freedom House survey team. The numbers are not purely mechanical but reflect judgments. The classification measures the extent to which individuals enjoy rights and freedoms in each country. Broadly defined, freedom encompasses two sets of characteristics grouped under political rights and civil liberties. Political rights enable people to participate freely in the political process. Civil liberties refer to freedom to develop views, institutions, and personal autonomy apart from the state. Data are for 1987 and 1997. *Applied weight indicator:* total population.

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