



Part C

Summary of FY 2000 Program Performance by Operating Unit Objectives





Encourage Economic Growth and Agricultural Development (EGAD)

This section discusses the performance of the EGAD objectives of USAID's operating units as of September 30, 1999, drawing on the self-assessments of these units. It provides examples of results achieved through USAID efforts undertaken around the globe and discusses operating unit objectives that failed to meet expectations.

To achieve the goal of broad-based economic growth and agricultural development, USAID normally undertakes programs to expand and strengthen private markets, encourage more rapid and enhanced agricultural development, and expand equitable access to economic opportunity for the rural and urban poor. A strong policy environment and strong institutions within recipient countries are two of the most important determinants of the overall success of USAID programs. Therefore, the agency continues to place a high priority on EGAD programs that address policy and institution reforms.

Program Objectives/Approaches

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

- Critical private markets expanded and strengthened
- More rapid and enhanced agricultural development and food security encouraged

- Access to economic opportunity for the rural and urban poor expanded and made more equitable
- fruit, coffee, or flowers not traditionally grown in the country, but attractive for international markets. Increases in agricultural production also serve to raise farmer

Economic Growth Programs with Environmental Sustainability

USAID develops and implements many activities that both stimulate economic growth and help preserve the environment. While programs can take a variety of different forms, depending on the needs of the country, they often fall under one of two major focus areas:

Sustainable Agriculture and Natural Resource Management – Sustainable agriculture approaches aim to increase production, but through the adoption of sustainable agriculture practices. Use of appropriate technologies such as composting, tree planting, and building small dams and rock lines serve to reduce soil erosion, increase soil fertility, and protect watersheds. Farmers adopt the practices because they are simple and cost-effective and result in short-term economic benefits by increasing yields. Other natural resource approaches with economic benefits tend to focus on the management and sustainable use of forests, coastal zones, and water resources.

Energy – Energy use, efficiency, and conservation are critical issues in many countries where USAID works, especially in the **Eurasia** region. USAID approaches assist countries in the adoption of rational energy prices, sound national energy policies, and improved energy efficiency. Industries that adopt more efficient energy systems save on costs, helping to boost their profits, while reducing pollution emissions.

For this reporting period, each operating unit categorized its programs as primarily under one of the three EGAD objectives. The Agency has a total of 152 EGAD programs carried out in 75 operating units around the world. Many of the country programs emphasize a broad and comprehensive approach to economic development, so that a single operating unit may simultaneously address multiple Agency objectives. An operating unit's program may, for example, seek to expand trade through policy, legal, and regulatory reform to reduce barriers for exporters, an approach consistent with the first EGAD objective. Also, the program may emphasize increased production of agricultural commodities such as

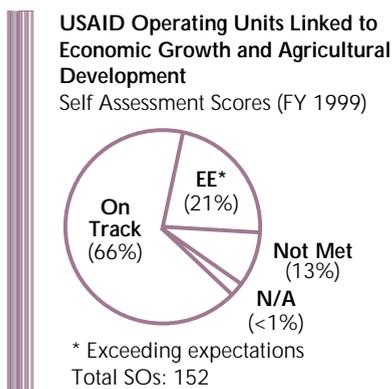
incomes, helping to ensure food security. Typically, agriculture and food security programs fall under the second EGAD objective. Yet another intervention of the same program may involve small loans and business training for the rural poor, helping to generate entrepreneurial development and increase incomes. This purpose equates to the EGAD objective for expanded access to economic opportunity for the poor. Thus a USAID operating unit's program may encompass all three Agency objectives, even though it will be categorized under only one, representing the program's major area of emphasis.

Further, USAID EGAD objectives and

activities can be combined with other Agency goals in an integrated strategy. For instance, operating units often pursue goals for economic growth and environment together in a single program by emphasizing an environmentally sustainable approach to growth (see Box C.1). Similarly, programs that strengthen the free-market advocacy role of business associations and empower the poor with opportunities to more fully participate in the economy also complement the development of an active civil society under the Agency's democracy and governance goal.

Self-Assessment of Performance by Missions and Other Operating Units

Eighty-eight percent of EGAD objectives met or exceeded expectations. Examples of both successful objectives and objectives not met are discussed below:



a. USAID Objective: "Critical Private Markets Expanded and Strengthened"

Of the 75 USAID operating units promoting EGAD, just over two thirds have programs with a primary focus on strengthening markets. This objective accounts for just over 80 percent of the Agency's EGAD budget. Regionally, this objective has

been critical to the countries of **Europe and Eurasia (E&E)**, where 19 of the 22 operating units are pursuing it to accelerate economic transition. Elsewhere, 11 of 32 operating units in Africa, 10 of 19 in

development services can be clustered into several key areas: market linkages, improved technologies, and better business practices. Technical assistance to enterprises helps business owners

Program Concentration	Number of Operating Units
Development of Private Enterprises	40
Fiscal Reform and Financial Management	31
Strengthening Financial Markets	42
Privatization	32
Facilitating Trade and Investment	45

This table shows the number of USAID operating units that pursue each major area of program concentration, either as a primary or secondary purpose, within the strengthening markets objective. Many of the operating units address more than one area.

Latin America and the Caribbean, 10 of 16 in **Asia and the Near East,** and one central operating unit carry out market-strengthening programs.

USAID aims to effect change by facilitating development, reform, and strengthening of the various sectors that constitute a market-based economy. Major areas of program concentration include private-enterprise development, fiscal reform, strengthening financial markets, privatization, and facilitating trade and investment. Each is described below, along with specific examples of USAID activities and accomplishments.

Examples of USAID Program Results

Development of Private Enterprises

USAID also undertakes policy, legal, and regulatory reform necessary for increasing trade competitiveness, attracting investment, and achieving sustained economic growth. Business

develop needed skills and knowledge for managing their operations and marketing products. Programs work to strengthen business and professional associations and work through them, as well as service providers, to build local capacity. For instance, reforms can allow economic incentives for business growth, competition, and reduced transaction costs. Strengthening trade and professional associations to lobby governments leads to improvements in the enabling environment for private enterprise. Private-sector growth helps to generate revenues for public expenditures and social transfers.

USAID's program in Ghana, as an example, works to diversify and expand the economy by creating a more investor-friendly business environment and by strengthening the private sector's capacity to be more competitive. Progress achieved



on policy reforms included streamlining tax revenue collection,

USAID emphasizes, among other things, reform of tax policies to make

impact of fiscal policies on economic growth. One indication of success is the size of the federal budget deficit. In 1999, the government budget deficit as a percentage of gross domestic product (GDP) was down to 2.7 percent—less than the 3 percent of 1998 and a fraction of the 12.5 percent of 1995.

Business Training Spurs Computer and Internet Services

Arben Kote is the owner of Hard & Soft, a hardware, software, and computer services provider in the **Albanian** city of Elbasan. Through USAID-funded training in North Carolina and Texas, Mr. Kote learned about software programming in support of the fields of construction, wood and metal processing, and accounting. He also acquired knowledge related to the Internet and hardware and software pricing strategy and marketing, as well as the profitable provision of computer support services. Soon after returning to his home town, Mr. Kote signed a contract with “Albania On Line” and the City of Elbasan, which, through Mr. Kote’s support, will be the first city after Tirana, Albania’s capital, to have a local Internet server provider. Other local government offices are now setting up Web pages and have turned to Kote for training.

Hard & Soft’s business has increased more than 50 percent since Mr. Kote’s visit to the United States. Kote says, “Everyone is so excited about Internet access. The Customs Agency in Elbasan is already communicating with its central office in Tirana and its border posts via e-mail.”

Strengthening Financial Markets

The Agency addresses two major components of the financial sector—banking and capital markets. Programs seek to improve private-sector access to a wide array of financial instruments at competitive, market-determined rates. USAID assistance in many countries supports a market-oriented legal and regulatory framework for banking; developing bank regulatory authorities; strengthening bank infrastructure through training and conversion to International Accounting Standards; drafting laws on securities commissions and securities and investment companies; establishing security trade mechanisms and independent securities regulators; and developing markets for government securities, commodities, and municipal bonds.

elimination of disincentives to foreign investment, and an update of labor legislation. Agency activities also included development and support of community tourism. Tourism to USAID-supported sites increased by more than 30 percent in 1999. The level of interest in tourism, mostly Ghanaian, is serving to demonstrate to the rest of the country that tourism is a viable industry for business and investment.

them more transparent, simple, and equitable; improved tax administration for collections and enforcement; efficient budget formulation and execution; revenue sharing and spending authorities between national and subnational levels of government; and pension reform.

Fiscal Reform and Financial Management

Sound fiscal policies and practices are critical to private-sector growth and the development of financial markets. Financial management systems enhance public accountability and reduce opportunities for corruption. Fiscal decentralization is also key for strengthening local governments. Fiscal reform is especially critical to the transition and sustainability of economies once centrally controlled.

For instance, the inadequacy of many social and public services in **Kyrgyzstan** can be attributed, in part, to the problems with fiscal policies and fiscal management. USAID is addressing the immediate and long-term needs by targeting three critical areas: 1) tax administration, 2) tax policy, and 3) budget reform. The direct beneficiaries of such improvements are the national and local government agencies that need tax revenues and sound budget policies and those parties that are owed money by the government. Indirectly, all Kyrgyz citizens stand to benefit in the long run through the

In **Ukraine**, the challenge in the financial sector is to transform a mechanistic system of a centrally planned economy to a service-oriented sector based on market principles, capable of providing financial support to consumers and businesses. The USAID program in Ukraine was designed to develop the fundamentals (bank supervision, accounting, and training) of a functioning financial system. Major legislation was passed in 1999, including the adoption of a

bankruptcy law. Privately owned banks made significant progress in increasing their market share. The ratio of combined total assets of the 10 largest privately owned banks compared with those of government-owned banks increased to 82 percent, exceeding expectations and well above the 66 percent of the previous year.

Privatization

Private ownership of productive assets is critical to the formation of competitive markets, the achievement of economic growth through private initiative, and the efficient mobilization of productive resources. Privatization of state-owned enterprises helps to redefine the role of government to a facilitator of economic activity and a provider of essential services. Types of USAID assistance include privatization of large enterprises and farms, land privatization, and improving corporate governance.

Moldova has made significant strides in land privatization and is noted as a model for its achievement in the break-up of state and collective farms and the issuance of constitutionally valid tradable land titles. USAID is working to help complete the Moldovan land privatization program and assists the government with the privatization of strategic enterprises. A total of 660 out of an estimated thousand state and collective farms were broken up in 1999. Concurrently, 956,000 new land titles were issued to individuals.

Facilitating Trade and Investment

While this category of programs has considerable overlap with the ones mentioned above, these activities

concentrate on private-sector-led, export-oriented growth. Policy, legal, and regulatory reforms lower trade barriers and eliminate cumbersome requirements for exporters. The transfer and utilization of new technologies enable the production of nontraditional goods for export. The provision of business services and improved management practices builds the capacity of businesses to grow. Partnerships with foreign investors and access to market information assist businesses to learn about and develop new markets.

USAID's Global Technology Network (GTN) works to expand trade by matching an overseas company's needs with small and medium-size U.S. firms that are equipped to provide the appropriate technological solutions. The network targets the agriculture, environment and energy, health, and information technology sectors. An internet-based matching system links firms with compatible interests, facilitating communication and partnering. Partnership with 32 states, trade offices and three regional offices facilitate U.S. firms exporting into developing and emerging markets. In 1999, the GTN recorded \$120 million in completed business transactions, up from \$78 million the previous year. The program's innovation and success led to its receiving the 1999 Public Service Excellence International Award sponsored by the Public Employees Roundtable.

In **Egypt**, USAID is promoting export-oriented growth fueled by the private sector. Through the use of technical assistance, the Agency helped the government adopt

numerous policy reforms in 1999, including a product registry for importers and exporters to streamline inspections. USAID assistance also works with and through business associations to train them to better lobby for policy change. In addition, activities provide technical assistance and training to businesses in improved technologies and better management practices. In the sectors that USAID targets, the value of private-sector exports (including fresh and processed agricultural products, spinning/weaving products, leather goods, and furniture) rose by 28 percent, from \$361 million in 1998 to \$462 million in 1999.

A comprehensive legal and regulatory reform agenda in **Jordan** enabled it to qualify for World Trade Organization (WTO) accession in 1999. The WTO process required a myriad of new and amended laws and regulations. Spurred on by strong support at the highest levels of government, USAID assistance played an essential role in facilitating Jordan's application and ensuring its ultimate success. Participation in the WTO will provide benefits to Jordan for many years to come. USAID-funded technical assistance also enabled the government to transfer \$88.6 million in assets to private-sector control.

Program(s) Failing to Meet Expectations

Under the strengthening markets objective, several USAID programs failed to meet their goals. This was due to, in almost all cases, lack of host government commitment to reforms and, in some cases, to political instability stemming from government transition. In the **E&E** region, USAID operating units in



Albania, Armenia, Croatia, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, and Uzbekistan all faced difficulties. In other regions, programs in **Angola, Colombia, and Haiti** fell short of expectations.

In **Armenia**, performance of the economic restructuring portfolio during the past year did not meet expectations, primarily because of a range of major policy-level obstacles that have yet to be resolved.

Disappointing progress in areas such as privatization, capital markets development, and the registration/sale of property continued to stifle private-sector activity. Notwithstanding this negative performance and outlook, the USAID program has had various activity-level accomplishments that—if critical policy issues can be resolved—will facilitate sustainable increases in employment and income in Armenia during the life of this program.

In **Croatia**, USAID suspended assistance under its financial-sector program in 1998 because the government showed no willingness to engage in any meaningful economic reform. As a result, the economy became a major political issue in Croatia, eventually leading to the election of a new reform-minded government. USAID Croatia is in the process of responding with immediate targeted support and will work with the government to reinstate sound management of the economy.

In **Kyrgyzstan**, progress was achieved in developing an effective securities market, but banking targets were not met because of the crisis in the

banking system that resulted from large-scale fraud. Four of the largest banks were closed, contributing to a loss in consumer confidence. The USAID program initially concentrated on strengthening the bank regulatory authority's ability to supervise commercial banks.

However, that effort was halted in 1997 because of a similar Finnish government effort and because the central bank had started to develop a modernized bank supervisory capability. Without USAID assistance for bank supervision reform, however, the Central Bank made little progress toward achieving a self-sustaining bank regulatory unit. USAID has recently responded to a host government request to restart assistance as part of an effort to tighten financial regulatory guidelines and enhance monitoring capacity in the banking sector.

Despite some individual accomplishments, the growth and development of **Tajikistan's** private sector remained constrained by the uncertainty of the elections. Private-sector growth is critical to rebuilding Tajikistan's war-torn economy. Although the economic policy environment has improved noticeably, chronic security problems continue to hold back growth. Long-term USAID development activities are just beginning. Although Tajikistan's government has demonstrated its commitment to economic reform, the ongoing political instability limits USAID's ability to provide technical assistance.

The government of **Turkmenistan** faces a potentially severe fiscal crisis. The nation's financial conditions

have worsened in large part because of a sharp drop in export revenues when Turkmenistan ceased exporting gas through the Russian pipeline system. The government also has failed to adopt progressive privatization or land reform. Turkmenistan is the slowest country in the region to move toward market liberalization. It has made little progress in privatization and financial-sector reform or in liberalization of its trade regime.

After a movement in the mid-1990s toward free-market reforms through pricing and trade liberalization measures and tightened short-term fiscal and monetary management policies, the government of **Uzbekistan** retreated in the late 1990s by restricting convertibility and access to foreign currency. This resulted in suspension of its International Monetary Fund (IMF) Standby Arrangement. The lack of convertibility, minimal progress toward privatization, and a near halt in other economic or fiscal reform are having a seriously debilitating effect on the Uzbekistan economy, as well as a chilling effect on the international donor community. This led to a termination of USAID's Fiscal Reform Project in early 2000.

USAID's program in **Haiti** contributes to the maintenance and improvement of the macroeconomic environment by encouraging government reform through privatization of state-owned enterprises, civil service downsizing, civil service reform in general, and improvement of the host government's public resource management. Privatization efforts in Haiti stalled because of lack of

government commitment to move forward; however, the government is making progress in some areas. USAID will continue to work in collaboration with other donors, including the IMF, to consolidate gains and continue a reform process.

b. USAID Objective: "More Rapid and Enhanced Agricultural Development and Food Security Encouraged"

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

The concept of food security incorporates the traditional idea of ensuring food availability with the need for social and economic conditions that enable families to gain access to food. Access can be achieved either by producing food themselves or earning income to buy food. It serves as a planning tool and framework for designing food assistance and measuring impact. USAID's efforts promote long-term food security and include a wide array of measures aimed broadly at eradicating poverty, increasing production, improving health and nutrition, and empowering women as both food producers and caregivers.

Agriculture programs (not including PL 480) receive 12 percent of USAID's EGAD budget. USAID also uses nonemergency food aid as a resource in needy countries for direct feeding or monetizing (i.e., selling the food in recipient country markets) to generate local currency for development activities.

The **Africa** region predominates under this objective, with two thirds (12 of 18) of the total number of Agency operating units having agricultural development and food security programs as a primary objective. The African continent, even with significant recent growth in GDP, continues to be relatively poor and agrarian (with agriculture having an average value-added of 29 percent of GDP¹). Operating units in other regions, however, also carry out significant activities in the agricultural and food security realm. Overall, a total of 58 Agency operating units include this theme as either a primary or secondary purpose of their program.

Agency agricultural programs promote increased production and diversification of agricultural goods for both local consumption and export; strengthen public and private agricultural institutions; reform policies to provide incentives for farmers and agricultural entrepreneurs; promote research for, and adoption of, improved agricultural practices and technologies [e.g., through the Consultative Group on International Agricultural Research (CGIAR)]; and increase access to markets and market information. Food security

programs give priority to activities that improve household nutrition and agricultural productivity.

Examples of USAID Program Results

In **Malawi**, USAID works to enable small farmers to achieve economic diversification and increase incomes. In the mid-1990s, USAID pursued a policy reform agenda to help the government of Malawi liberalize markets. That groundwork has created opportunities for small farmers in rural areas to increase productivity and market efficiency. USAID efforts helped contribute to an important 14.8 percent increase in rural incomes in Malawi from 1998 to 1999. In 1999, 44 percent of the area of smallholder farms (up from 37 percent in 1998) had been diversified into crops such as rice, potatoes, and coffee.

In **Uganda**, USAID works together with the government and other donors on a comprehensive Poverty Reduction Strategy. Among other things, USAID supported the International Institute of Tropical Agriculture and other nongovernmental organizations to introduce disease-resistant varieties of cassava, a food crop widely consumed in the region and generally less affected by drought. These efforts led to dramatic results, with production of this crop increasing by more than 700 percent in 1999 over the previous year! Overall, GDP growth in Uganda stood at close to 8 percent in 1999. Combined efforts of USAID and its partners have led to a remarkable evolution in **Bangladesh**, from a famine-prone country in the early

¹ *World Development Indicators*. World Bank. Data are for 1998. Compare this figure with that of the United States, where agriculture is 2 percent of the economy.



1970s to a country now capable of managing food emergencies. USAID food security efforts have served to reform food policies, feed vulnerable groups, improve disaster preparedness, and upgrade community infrastructure. As a result of USAID's continuous policy dialogue, the government of Bangladesh has reoriented its large public food distribution system away from competition with the private sector and more toward managing it as a food safety net for the poor, helping to reduce poverty. In 1999, the government distributed 88 percent of public food to targeted programs for the poor, up from 76 percent the previous year and double the level of the early 1990s.

In **Guatemala**, access to land and credit is out of reach for many living in rural areas. USAID supported the creation of a land fund by the Guatemalan Congress. In coordination with other donors, USAID helped 3,973 small farm families gain access to land. By 1999, USAID implementing partners had worked with 17,500 new producers (up from 4,000 in 1998) to adopt sustainable agriculture practices such as soil conservation and organic fertilization.

Program(s) Failing to Meet Expectations

All USAID programs under this objective met expectations.

c. USAID Objective: "Access to Economic Opportunity for the Rural and Urban Poor Expanded and Made More Equitable"

The Agency's third performance goal under EGAD specifically targets the alleviation of poverty by more directly providing opportunities to

enable economically the poor, women, and the disadvantaged.

Globally, 68 USAID operating units incorporated some features of this objective into their programs, with 31 operating units considering it a primary objective. Six percent of the Agency's economic growth budget is counted as going toward these programs. **LAC** operating units, in particular, have found this to be an appropriate and successful objective, with two thirds of them (13 of 19) pursuing it. Operating units in **Africa** (7), **Asia and the Near East** (7), **Europe and Eurasia** (2), and USAID's Global Programs bureau also have strategies to increase economic opportunities for the poor.

In pursuing this objective, missions may use a variety of interventions, employing human resources, ideas, and financing from both the agricultural and private sector development spheres. A particularly

popular tool among missions for this purpose is microenterprise development, involving the provision of financial services, such as savings products, micro-loans, leasing and increasingly insurance products, and business development assistance to microentrepreneurs and poor, farming households. Programs also work towards legal and regulatory reform to improve the economic environment for small and micro enterprises.

Examples of USAID Program Results

Millions of poor households around the world participate in microenterprises to provide income that pays for basic family expenses such as food, clothing, shelter, school tuition, and medical bills. In addition, many farming households use microenterprises to balance income flow and reduce risk. During times of crisis and economic distress, additional households also

Microfinance Fosters Business Growth and Land Ownership

Crispina Canales started out in business with a small food stall in a rural community located in southern Mindanao, a large island of the Philippines. The little restaurant served ten people at a time and featured five dishes, including her specialty, roasted pig.

Crispina learned that a local credit union, Nabunturan Integrated Cooperative (NICO) was offering loans to local businesses. NICO is part of an USAID-supported program called CUES (Credit Union Empowerment and Strengthening) Philippines, run by the World Council of Credit Union (WOCCU) and Freedom from Hunger. Initially, Crispina deposited \$7.50 in share capital and attended the required pre-membership seminar. Almost immediately she was eligible for a loan of \$37.50. With the loan, she purchased better equipment and hogs. Instead of depending on a farmer to supply her stock, she could raise her own. She quickly repaid the loan and was granted a second loan of \$125.

Three years later the eatery sales had increased by 50 percent. Crispina had saved so much that she was able to purchase over two acres of rice farmland for \$175. In 1999, Crispina took out a loan to expand the eatery, doubling its size. She now offers 30 different dishes daily and can feed 50 people at a time.



use informal business activities to generate needed income.

In FY 1999, the Agency's microenterprise initiative, providing small loans to those in need, benefited more than two million clients across the globe. Of those borrowers, the vast majority (70 percent) were women. The average loan size was \$329, reflecting the Agency's emphasis on poverty lending— that is very small loans to poor clients that, in the right circumstances, can go a long way in empowering them to help themselves. The 627 microenterprise organizations supported by USAID also provide business development services to microentrepreneurs, including training, counseling, product marketing, and assistance with production technologies.

In the aftermath of the destruction of Hurricane Mitch, USAID's assistance in **Honduras** is helping to create a foundation for economic reactivation, renewed growth, and poverty reduction. USAID disbursed a \$3 million Mitch Recovery Fund for microfinance. These resources provided liquidity to support and rehabilitate the enterprises of some 9,000 clients severely affected by Mitch. Those resources have been complemented by some \$8 million of CACEDRF funds directed toward the expansion of microfinance services in areas notably affected by Mitch. By the end of 1999, USAID-supported micro-finance institutions were providing services to 43 percent of all micro and small enterprises in Honduras, up from 1998 when the percentage of coverage was 35 percent.

USAID in **Bolivia** is also working towards increasing the incomes of the poor. Bolivia's micro-finance sector as a whole was negatively affected by the country's recent severe economic recession. Nonetheless, USAID microfinance activities helped Bolivia's poor gain access to financial services to support their entrepreneurial businesses. Although the number of borrowers was not as high as targeted, active borrowers under USAID-supported programs increased from 189,000 in 1998 to almost 215,000 in 1999. Furthermore, as successful microfinance institutions graduate from the need for regular and major USAID support, their clients disappear from our figures, but remain important beneficiaries of USAID support. In fact, microfinance has flourished so successfully in urban Bolivia that fierce competition, market saturation, and over-indebtedness in the absence of adequate credit bureau services are the new problems. As a result, Bolivia is serving as a learning laboratory for the entire sector in this regard. Women borrowers accounted for 68 percent of the current total.

In more developed but severely stressed economies, such as those in Eastern Europe in the throes of conversion from a communist system to free markets, there is a role for micro and small businesses in the fight against poverty and economic dislocation. In **Russia**, for example, USAID helps to stimulate economic growth as well as a private sector mentality, by fostering the development of micro, small and medium-sized enterprises at selected regional sites around the country.

USAID facilitates business support services and greater access to finance for entrepreneurs. As a result, more than 25,000 jobs were created in 1999. Entrepreneurs receiving support from USAID's business support centers were able to obtain \$37 million in credit through 1999, short of expectations but an increase over the \$29 million they obtained in 1998. Women have received 71 percent of the loans that USAID-funded partner organizations have made to enterprises. Russia is gradually recovering from the financial crisis that plagued it in 1998; GDP grew at a modest 3.2 percent in 1999.

Programs Failing to Meet Expectations

Programs in Eritrea, Namibia, and Haiti failed to meet Agency expectations. USAID's Rural Enterprise Investment Partnership in **Eritrea** was at the point of contracting the advisors needed for its first loans when war broke out with Ethiopia. The war prevented disbursement of funds under the rural enterprise lending facility, technical assistance, and program support components. An alternative disbursement mechanism has recently been put in place, and implementation picked up sharply in the middle of FY 2000.

In **Namibia**, the economic growth rate fell to 1.8 percent in 1997 and dropped again in 1998. While growth returned to 2.6 percent in 1999, further deterioration may be expected as the effects of the Angolan conflict in northern Namibia spill over onto business activity. As a result of the poor business climate, USAID's program has not been meeting the targets set.



The program has been revised to focus on small and medium enterprises (SMEs), which represent the most attractive targets-of-opportunity for promoting economic growth and job-creation. As reformulated, the strategy directly addresses the need for private sector managerial and entrepreneurial skills, and for improved business support services and technology linkages for SMEs.

As mentioned earlier, the government of **Haiti's** progress toward economic reform, privatization, investment promotion and secondary cities development was disappointing, leading to mixed results of USAID's program to help increase incomes of the poor. Further sustainable economic growth will not be possible if the government continues on a course of anti-investment policies and inaction.

Strengthen Democracy and Good Governance

This section discusses the performance of the D&G objectives of USAID's operating units as of September 30, 1999, drawing on the self-assessments of these units. It provides examples of results achieved through USAID efforts undertaken around the globe and

discusses operating unit objectives that failed to meet expectations.

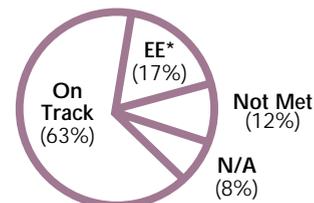
Program Objectives/Approaches

Table C.1 shows the number of USAID operating units that pursue each major area of program concentration as a primary purpose within the democracy and governance goal. Many of the operating units have programs in more than one area.

For this reporting period, each operating unit categorized its programs under one of the four democracy and governance objectives. The Agency has a total of 107 democracy and governance objectives carried out in 75 operating units around the world.

In 1999, the unique role played by USAID democracy and governance programs was highlighted by the fact that 85 percent of all operating units—more than in any other goal area—had linked their strategies to this Agency goal. In addition, 36 USAID Missions linked their democracy strategies to the Department of State's Mission policy planning document, thus indicating that increased coordination and collaboration of democracy support are taking place in the field.

USAID Operating Units Linked to Democracy and Governance
Self Assessment Scores (FY 1999)



* Exceeding expectations
Total SOs: 107

Self-Assessment of Performance by Missions and Other Operating Units

During 1999, 80 percent of Agency operating units met or exceeded targets in their democracy and governance strategic objectives; however, in 11 countries, accomplishments failed to meet expectations. In **Uzbekistan** and **Kazakhstan**, government repression and unfair presidential and parliamentary elections undermined strategic objective efforts to increase citizen participation. Similarly, in **Slovakia** and **Turkmenistan**, efforts to promote increased citizen participation were undermined by negative popular perceptions of democratic reforms in the former and a lack of government acceptance of the nongovernmental organization (NGO) sector in the latter. In **Armenia**, public perceptions of corruption, citizen disengagement from the political process, and ongoing political turmoil created an environment in which there was little chance of achieving the desired democracy program impact. In **Macedonia**, the combination of spillover effects of the Kosovo crisis, low levels of civic awareness, and an adverse political culture negatively affected efforts in areas critical to achieving expected progress.

Table C.1: Democracy and Governance Programs
(Primary Framework Links Only)

Program Concentration	No. of Operating Units	No. of Strategic Objectives
Rule of Law/Human Rights	20	21
Politically Active Civil Society	37	40
Accountable Government Institutions	30	36
Credible Political Processes	10	10
Totals		107

In **Tanzania**, implementation of its program to promote civil society–government partnerships fell behind because of personnel constraints and weakened citizen interest in such activities in the aftermath of the bombing of the U.S. Embassy. In **Liberia**, the Mission’s democracy activities were severely curtailed as a result of security incidents, human rights violations, corruption, and the government’s assistance to rebels in **Sierra Leone**. Finally, in **Haiti** and **Nicaragua**, efforts to promote political participation and inclusive governance fell short of desired targets because of an overall deterioration in democratic institutions and processes in the former and inadequate government support and the slow recovery from Hurricane Mitch in the latter.

a. USAID Objective: “The Development of Politically Active Civil Society Promoted”

Of the 75 USAID operating units with democracy and governance programs, 38 percent have a primary focus on promoting a politically active civil society. Regionally, this objective has been critical to the Europe and Eurasia countries, where 17 of the 22 operating units are pursuing it to accelerate countries’ democratic transitions. Elsewhere, 13 operating units in Africa, 3 in Latin America and the Caribbean, 3 in Asia and the Near East, as well as 2 in the Global Bureau, report carrying out civil society programs.

USAID aims to effect change by facilitating the development and strengthening of the various elements of civil society. Major areas of program concentration include improved legal frameworks to

protect and promote civil society, increased citizen participation in the policy process and oversight of public institutions, increased institutional and financial viability of civil society organizations, enhanced free flow of information, and strengthened democratic political culture. Examples of USAID activities and accomplishments in these areas are described below.

Examples of USAID Program Results
Increased Citizen Participation in the Policy Process and Oversight of Public Institutions

The enabling environment for civil society organizations has been traditionally weak in **Tanzania**. During the past three years, USAID has worked with other donors to improve the regulatory framework for NGOs and to broaden access by civil society to policy discussions and decision making. In a landmark achievement in 1999, the government and local NGOs finally approved a policy paper that will provide the foundation for increased civic involvement in policymaking and governance in the future.

Strengthened Democratic Political Culture

While the fragile political and economic situation in **Slovakia** during the past year has limited the impact of USAID’s democracy and governance program, meaningful results have still been achieved. According to the Mission, one of its most significant activities was to develop a national civic-education training methodology aimed at promoting democratic attitudes and behaviors. In 1999, as a result of these efforts, the Ministry of Education approved the inclusion of civic-education training as part of the recertification program for teachers,

and now several universities and training centers include this methodology in their programs.

Program(s) Failing to Meet Expectations

The consolidation of democracy takes many years, and civil society efforts are often subject to significant setbacks during times of political instability. For example, the bombing of the U.S. Embassy in Tanzania weakened citizen interest in some areas and transferred attention away from civil society activities. This helped limit the potential effects of Mission civil society programming. This experience indicates that civil society efforts require a long-term and focused commitment by USAID and other donors, perhaps more modest expectations of results, and adequate staff and other resources. In Tanzania’s case, USAID has responded by filling key staff vacancies and strengthening Mission democracy and governance program functions.

b. USAID Objective: “More Transparent and Accountable Government Institutions Encouraged”

Of the 75 operating units promoting democracy and governance, 31 percent have programs with a primary focus on improving capacities of government institutions. Regionally, this objective has been critical to the **Europe and Eurasia** countries, where 12 of 22 operating units are pursuing it to accelerate countries’ democratic transitions. Elsewhere, six operating units in **Africa**, seven in **Latin America and the Caribbean**, four in **Asia and the Near East**, and one in the Global Bureau carry out programs to strengthen government institutions.



While many citizens of developing countries recognize the intrinsic value of democracy, they are also concerned with a government's ability to function. In general, governance issues pertain to the ability of government to develop an efficient and effective public management process. Because citizens lose confidence in a government that is unable to deliver basic services, the degree to which it is able to carry out its functions at any level is often a key determinant of a country's ability to sustain democratic reform.

USAID works to effect change by facilitating the development and strengthening of government institutions. Major areas of program concentration include decentralizing government functions and decision-making processes, strengthening legislatures, improving government integrity, promoting more effective policy implementation, and improving civilian–military relations. An example of USAID activities and accomplishments in these areas is described below.

Example of USAID Program Results

Government Integrity

Corruption has long been a major problem in **Tanzania**; therefore, USAID has focused its democracy and governance resources on promoting the development of a national anticorruption strategy for the government. In response, during the past year, the government created a new Department for Good Governance within the President's Office, which presented and gained cabinet approval for a National Anticorruption Strategy and Action Plan. USAID provided technical

assistance to prepare the new strategy and plans to fund new activities under it in the future. During 1999, moreover, related USAID-supported anticorruption efforts were also bearing fruit; for example, as a result of work by the newly established Department for Good Governance, two high-ranking government officials and an influential representative of the private sector were charged and jailed for corruption.

Program(s) Failing to Meet Expectations

All democracy and governance activities supported by foreign governments are politically sensitive and are thus sometimes difficult to manage. USAID's effort to strengthen the legislature in **Egypt** did not meet expectations in part because of government concerns that project staff would have undue influence on legislature proceedings. After protracted negotiations with government officials, the Mission agreed to take a new implementation approach and extended the legislative strengthening activity through 2001.

c. USAID Objective: "Rule of Law and Respect for Human Rights of Women, as Well as Men, Strengthened"

Of the 75 operating units with democracy and governance programs, just over 21 percent have a primary focus on strengthening the rule of law and respect for human rights. Operating units in all regions, including six in **Latin America and the Caribbean**, seven in **Europe and Eurasia**, four in **Asia and the Near East**, one in **Africa**, and two in the Global Bureau carry out rule of law and human rights programs.

A well-developed justice system serves as the underpinning of a democratic society and modern economy. USAID works to improve respect for human rights and strengthen the rule of law in order to help resolve conflicts and foster social interaction in accord with legal norms and societal values. The Agency also provides services in accord with societal demands and expectations and helps curb the arbitrary exercise and abuse of power by other branches of government, elites, and privileged groups. Major approaches used by operating units to support this objective include strengthening justice-sector institutions, improving legal frameworks and codifying human rights, and increasing citizens' access to justice. Examples of USAID activities and accomplishments in these areas are described below.

Examples of USAID Program Results

Strengthening Justice-Sector Institutions

In **Malawi**, the Mission funded a comprehensive assessment of the courts' administrative and management systems. Based on broad consultations, including the full cooperation of the judiciary, the assessment made comprehensive recommendations for improving these court systems. By the end of 1999, the assessment's key recommendations had been accepted by the judiciary and were placed on a priority list for implementation. As a result, a five-year schedule of activities has been established to overhaul and streamline court management and administration.



Increasing Citizens' Access to Justice

In **Bangladesh** and **Tanzania**, Mission-funded activities have helped increase citizen access to justice through alternative dispute resolution programs. In Bangladesh, more than 21,000 new cases were processed in mostly rural areas. In Tanzania, in conjunction with the government's introduction of alternative dispute resolution procedures in all of the country's courts down to the district level, USAID provided training for 276 judges and magistrates. This training and the increased use of alternative dispute resolution has helped expedite case processing, reduce costs, and build public confidence in the legal system.

Program(s) Failing to Meet Expectations

Nicaragua's overall progress in its democratic transition did not meet Mission expectations in 1999. USAID and other donors' efforts were blocked by the combined effects of poor government performance and the slow recovery from Hurricane Mitch. For example, recent changes in the membership of the Justice Commission of the National Assembly have undercut political will in support of criminal procedure reform, making it necessary to re-create a broad-based consensus in favor of such efforts.

In **Armenia**, progress on the Mission's rule-of-law programs was slower than expected for most of 1999. For example, even though legislative changes strengthened the structural independence of the judiciary, informal dependence on historically strong prosecutors continued. Similarly, political turmoil

in the country has helped delay expected constitutional reforms.

d. USAID Objective: "Credible and Competitive Political Processes Encouraged"

Ten percent of USAID's 75 Missions have programs in this objective area. Although no operating units in **Europe and Eurasia** carry out programs in this area, three operating units in each of the Agency's other regions have programs focused on enhancing political processes.

Although other elements of democracy can develop before competitive elections are held, a country cannot be truly democratic until its citizens have the opportunity to freely and fairly choose their representatives. However, free and fair elections are not the be-all and end-all of competitive political processes. Other major political institutions, such as political parties, also have to be developed. Accordingly, USAID works to bring about credible and competitive political processes through support for electoral reform, voter education programs, and strengthening political parties. Examples of USAID activities and accomplishments in these areas are described below.

Examples of USAID Program Results

Impartial Electoral Frameworks

USAID's support to civil society organizations in **Benin** helped introduce key electoral reforms, including amending the electoral code and helping the autonomous national electoral commission gain permanent status. These efforts helped reduce electoral fraud, contributing significantly to the country's successful legislative election in 1999.

Credible Electoral Administration

In support of the legislative and presidential elections that marked the transition from military to civilian rule in **Nigeria**, USAID-funded contractors provided analytical reports to the Independent National Electoral Commission. Commission officials said that these reports helped them correct some of the worst technical deficiencies in their system of electoral administration. In addition, the Mission's election assistance program became the platform on which women were mobilized to vote and women leaders were drawn to run for office. One USAID-assisted NGO network supported 24 women to run for local council positions, and 16 of them won election.

Effective Oversight of Electoral Processes

In **Indonesia**, USAID assistance helped the government to hold the most free and fair legislative election since 1955. Mission efforts included a massive election-monitoring program, which recruited more than 600,000 nonpartisan volunteers who were trained and deployed to 320,000 polling stations. The first nationally representative statistical sample of the election results objectively and impartially confirmed the voting results, thus disproving self-interested and exaggerated claims of fraud.

Informed and Active Citizens

Also in **Nigeria**, USAID supported a nationwide voter education program in anticipation of the critically important national elections held in 1999. Among this activity's achievements were 184 radio and television programs, which reached



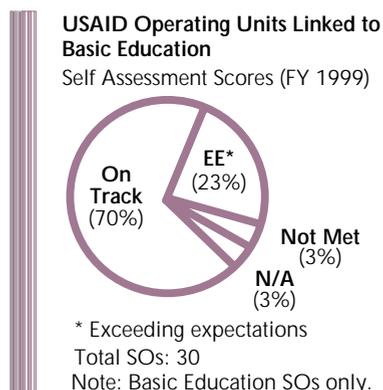
an estimated 12 million people. As a result, voters were reportedly often more aware of electoral procedures than many polling personnel. Moreover, a post-elections national survey found that these voter education efforts had enhanced citizen participation in the elections, as well as public confidence in the results.

A USAID-supported media and operations center became the hub for election communication and information throughout **Indonesia** and internationally, thereby helping ensure transparency in the 1999 elections. More than 150 organizations from both electronic and print media relied on this center to get immediate results of the election process. This helped overcome possible threats to the election's legitimacy that otherwise often threatened past elections. In addition, Mission-funded voter awareness and education programs introduced democratic concepts and voting practices to 100 million (out of 110 million) eligible Indonesian voters in 26 provinces.

Build Human Capacity through Education and Training (HCD)

This section discusses the performance of USAID programs under the human capacity development (HCD) goal, drawing on the self-assessments of performance by Missions and other operating units. It highlights the two HCD objectives and describes the approaches used by the Agency to accomplish these objectives. It provides examples of results achieved through USAID efforts undertaken around the globe,

discusses programs that failed to meet expectations, and reveals plans for further progress.



Program Objectives/Approaches

USAID supports human capacity development around the world through programs directed at two broad objectives:

- Access to quality basic education for underserved populations, especially for girls and women, expanded
- The contribution of host-country institutions of higher education to sustainable development increased

a. USAID Objective: "Access to Quality Basic Education for Underserved Populations, Especially for Girls and Women, Expanded"

Self-Assessment of Performance by Missions and Other Operating Units

USAID Missions and other operating units reported a total of 30 strategic objectives in basic education: 10 country programs plus a regional program in **sub-Saharan Africa**; 2 country programs in **Asia and the Near East**; 7 country programs plus a regional program in **Latin America and the Caribbean**; and the Global Bureau Centers for Human Capacity

Development (G/HCD) and for Women in Development (G/WID).

Of these 30 strategic objectives in basic education, 93 percent were judged to have met or exceeded expectations for FY 1999. Those judged to have exceeded expectations included programs in **Namibia, Jamaica, Nicaragua**, and regional programs in **Africa** and in **Latin America and the Caribbean**.

Program(s) Failing to Meet Expectations

All USAID programs under the basic education objective met or exceeded expectations.

Country Focus of USAID Basic Education Programs

As a general matter, USAID allocates its basic education funding among host countries on the basis of their educational needs and their commitment to reform. More specifically, the Agency concentrates on countries with major inadequacies in access or quality at the primary level, but whose governments demonstrate a clear willingness to do what is necessary to reduce or eliminate those inadequacies. In this context, USAID pays special attention to educational barriers affecting girls. Judgments based on educational criteria must then be weighed against similar judgments regarding support for program efforts in other goal areas, the overall country assistance budget, the availability of funds for basic education versus other goals for the Agency overall and in each region, and many other factors. The basic education countries identified in this chapter's section on country progress reflect the outcome of these judgments.

Basic Education Program Clusters

1. Basic education for children. The great majority of USAID's funding and program efforts in basic education support expanded and improved basic education for children. In principle, this category spans efforts in preprimary education and other early childhood development programs, primary education, and secondary education. The common thread among these elements is a concern that all children—girls and boys alike—gain the core skills that they will need to function effectively in all aspects of later life: literacy, numeracy, and habits of critical thinking. In practice, USAID strongly concentrates on ensuring equitable access and improved quality in primary education. The Agency's focus on primary education reflects the following:

- The especially high returns to improved and more accessible primary schooling in most developing countries, especially in the poor countries where most of our basic education programs operate
- The wide-ranging impacts of primary education in terms of faster economic growth, reduced income inequality, increased child survival and family health, reduced fertility, improvement in the status of women, and increased support for democracy and civil liberties
- The recognition that better and more accessible primary schooling is essential to ensure broad educational opportunity at all levels—especially for girls, the

children of the poor, and children of other disadvantaged groups

- International agreements supported by the United States that recognize improved and more accessible primary schooling as the proximate step toward achieving education for all

Of the 19 USAID country programs working on basic education for children in FY 2000, all concentrated mainly or exclusively on improving basic education at the primary level, based on the indicators chosen by the Missions to capture the impact of their programs.

Although conditions in most USAID-assisted countries confirm the need to concentrate on primary education, changes in those conditions can cause a shift in program focus. For example, in **El Salvador**, USAID is currently developing a program to improve the quality and availability of preschool care for young children in rural areas by developing curricula and training programs for caregivers in both public and private settings. This shift reflects a judgment that the reform process in primary education has developed sufficient momentum and acceptance that further steps should be left to the national government, allowing USAID to turn its attention to the next step: ensuring that rural children are mentally, emotionally, and physically ready to learn by the time they enter primary school.

2. Adult literacy. In addition to USAID's support for basic education for children, a few Missions support efforts aimed at promoting literacy among adults and adolescents who have missed out on a primary

education. In FY 2000, only the Missions in **Nigeria** and **Guatemala** sought funding for adult literacy programs; these appropriations totaled \$3 million, compared with the Agency total of \$117 million in support for basic education for children

Basic Education Program Approaches

USAID uses four broad approaches to achieve results within basic education. In keeping with the Agency's overall focus, these approaches are mainly aimed at the primary level, but could be adapted to efforts aimed at other levels of basic education.

1. Policy reform efforts encourage the host government to adopt and implement policies that promote access to basic education and improve educational quality at that level. These efforts often include technical assistance in identifying appropriate policies, based on international experience. Missions also work to build support for educational policy reform among local communities, the private sector, and civil society.

USAID policy work in basic education rests on a broad consensus about the following overall policies needed to ensure equitable access to a basic education of adequate quality:

- Adequate support for education in national, provincial, or local budgets
- Use of available public funds to subsidize primary and sometimes lower-secondary schooling, with households shouldering more of



the costs of higher levels of education

- Equity in allocating funds between urban and rural areas
- Adequate support for textbooks, learning materials, and other nonsalary elements in the educational budget

USAID's efforts to promote educational policy reform vary widely, according to country circumstances. In **sub-Saharan Africa**, USAID has relied heavily on nonproject budgetary assistance to host governments, with disbursements tied to adoption of policy changes negotiated between USAID and the host government. This approach has the advantage of strengthening the position of reform advocates within the host government, but it requires considerable budgetary flexibility and careful monitoring of compliance. Another important approach, used by Missions in all regions, involves promoting public awareness of the need for educational reform, through sponsorship of workshops and conferences and through direct support for organizations lobbying for educational reform. Finally, USAID's access to grant funds often places the Agency in a key position to help leverage much larger flows of concessional lending by other donors.

Among the four broad program approaches, educational policy reform is often the most difficult and usually takes longer to achieve. Nevertheless, experience shows that without reforming the underlying policies, sustainable educational

progress may be impossible to achieve.

2. Institutional development involves efforts to help the host country build the institutional capacity to plan for, provide, and assess basic education services. Improving basic education requires, along with appropriate policies, that the host government effectively manage the financial and human resources devoted to that purpose. Doing so involves myriad decisions on such issues as the siting of new schools, trade-offs among student-teacher ratios, teacher pay scales, funding of teacher training, funding of student testing, funding of textbooks and materials, and more. To help build institutional capacity, USAID funds training for educational officials, provides management information systems, and sponsors regional partnerships to share information and increase awareness of international best practices.

3. Improving educational practices at the classroom level involves promoting the adoption of effective teaching methods, learning materials, and educational technologies. In this area especially, USAID supports applied research and pilot studies to identify educational practices that improve learning. Under this approach, Missions provide funding for in-country teacher training, along with technical assistance to strengthen the capacity of local teacher training institutions. In particular, USAID promotes the adoption of teaching methods that involve students in the learning process (traditional methods often rely on rote).

The Agency also promotes improvements in curriculum content,

both to increase the relevance of student skills to the demands of the workplace and to adjust the pace and sequence of teaching to what children learn at different ages. This includes supporting the development of new textbooks and learning materials and helping build domestic capacity to carry out these tasks. Also, Missions help host countries develop cost-effective methods of student assessment and encourage them to use appropriate kinds of tests for different purposes.

4. Promoting community participation entails trying to enhance the strength and effectiveness of local communities' role in the process of educational decision making. The aim is to make the educational system more responsive to its ultimate customers—parents seeking a decent education for their children.

Choices among these four broad approaches (and the larger task of designing an assistance strategy for basic education) require a careful assessment of host-country conditions: the government's willingness to carry out needed reforms, the potential role of civil society in providing effective support for reforms, the current status of system-level and student-level indicators, existing basic education policies and institutions, the priorities and capacities of other donors, and other conditions. Some of these conditions can be assessed from available objective data. Others may require special data-gathering efforts or on-the-ground familiarity with political and bureaucratic realities. In many countries, Missions have adopted an integrated approach



to basic education reform, combining program elements drawn from two or more of these approaches to address both access and quality problems.

Examples of Basic Education Program Results

In **Benin**, the Mission has adopted an integrated approach to increase primary enrollments, particularly among girls, and to improve educational quality through better educational materials and methods of instruction. The program has five interdependent key objectives: 1) improved key pedagogical systems and inputs, initially targeted toward 250 experimental schools, with gradual adoption by the remaining 4,000 primary schools; 2) increased equality of access; 3) government maintenance of adequate financing for primary education; 4) increased community and government participation in schools; and 5) improved institutional capacity for educational planning, management, and accountability. With strong support from the central government, this holistic approach has produced dramatic results. The overall enrollment rate exceeded its target by four percentage points, while the improved quality of primary instruction and the availability of new textbooks and workbooks for students helped raise the pass rate in the experimental schools to 82 percent, compared with 70 percent using the old curriculum.

In **Ethiopia**, the Mission has also used an integrated approach to help raise both enrollment and retention rates of students in targeted regions, Tigray and the Southern Nations, Nationalities, and Peoples Region (SNNPR). Between 1995 and 1999,

enrollments have increased from two of every five school-aged children to three in five in Tigray and to one in two in SPNNR. The latter region recorded a 15 percent increase in enrollment in 1999 alone.

In **Peru**, the Mission has worked closely with a national advocacy group, the National Network for Girls' Education in Peru. The Mission supported the Network in disseminating an agenda that identified the impediments to expanding girls' access and in working with the government to develop policies and programs to address those impediments. The Mission has supported the establishment of local networks to promote quality education for rural girls in four provinces in Peru where girls suffer particularly high rates of dropout from primary school. As a result, opportunities for basic education in those areas have expanded, with the share of girls enrolled at the appropriate grade in primary school rising from 20 percent in 1996 to 27 percent in 1999. This case illustrates the need for broad participation by stakeholders at all levels to push the educational reform process forward.

In **Malawi and Mali**, USAID has supported the establishment of community schools to help increase community participation in educational decision making, with the ultimate goal of increasing access and improving quality in primary schooling. In Malawi, local surveys and training of communities have helped identify local constraints to educational quality; action plans to address those constraints were then developed and implemented. In

Mali, the Mission has provided communities with training in governance to increase their capacity to manage primary schools.

In **Morocco**, USAID is helping the GOM and the Ministry of Education, under the new National Charter of Education and Training, to shift the manner in which the curriculum is designed. For the first time, the GOP allows 30% of the curriculum of each region and its provinces to be decided locally. Once this decentralized methodology for curriculum development is tested and finalized, the localized curricula will be made available through education technology. USAID in Morocco has successfully promoted information technology and multi-media centers within teacher training colleges. Faculty, students preparing to become teachers, and teachers in in-service training have made use of the multi-media centers.

In **South Africa**, the Mission has supported the efforts of local NGOs in improving classroom teaching. The same NGOs have also helped build management capacity in district education offices so that those offices can provide effective support to schools and be held accountable for the quality of schooling.

In **Guatemala**, USAID is supporting intercultural and bilingual primary education to achieve increased access for indigenous children in Quiche Province. Enrollment rates in the province have increased sharply among both boys and girls.

In the area of adolescent and adult literacy, USAID has developed the



EDUCATODOS program in Honduras to provide access to basic education for out-of school youth and young adults. The program has exceeded its targets in expanding access among these groups. Elsewhere, women’s literacy programs delivered through NGOs (e.g., in Nepal) and through private-sector associations (e.g., in Guatemala) have helped provide an alternative means to expand access to basic education among disadvantaged groups.

Basic Education Midlevel Results Indicators

Tables C.2 through C.5 summarize some of the indicators that USAID Missions are using to measure the impact of their basic education programs; the tables cluster these indicators according to the kinds of results that Missions are trying to achieve. For certain dimensions of progress in basic education, country-level indicators can be aggregated across programs into “midlevel” results indicators, which provide a rough idea of the Agency’s overall impact. In particular, changes in overall and gender-specific enrollment typically lend themselves to adding up among country programs, as shown in tables C.2 and C.3.

For other, equally important dimensions of educational development, differences in the data available to measure progress prevent meaningful aggregation. Thus improvements in educational quality, increased system efficiency, and increased support and involvement of parents and local communities in basic education usually resist aggregation, despite being at the center of several of

USAID’s basic education programs. For this reason, tables C.4 and C.5 are limited to listing representative indicators of results in these areas to help illustrate the range and extent of results that Missions are targeting.

Changes in overall primary enrollment. Table C.2 summarizes changes in overall primary school enrollment implied by Mission-reported changes in enrollment ratios during the last year for which data are available. In each case, the change in enrollment ratio is multiplied by an estimate of the number of children of primary school age within the target area to produce an estimate of the change in the number of children enrolled in primary school implied by the reported change in the enrollment ratio. These estimates are added to produce the estimated total number of children affected (shown at the bottom of the table). Almost all the

education efforts are used in computing the aggregate enrollment figure.

It must be emphasized that the figures in the “implied-change” column of table C.2 are estimates only, shown to illustrate the aggregate impact of USAID programs. In contrast, most of these Missions are actually targeting changes in enrollment ratios, rather than specific numbers of children affected. With these caveats in mind, the table implies a one-year increase of between 800,000 and 900,000 boys and girls enrolled in primary school in the five countries included in the total, as the result of increased enrollment ratios targeted by USAID Missions. To the extent that these one-year increases reflect permanent improvements in access to primary schooling resulting from USAID basic education programs, the number of children ultimately

Table C.2: Changes in Total Primary Enrollment/Access Targeted by USAID Basic Education Programs

Country	Enrollment Rates	Children in Age Group	Value of Measure, Latest Available Year	Value of Measure, Previous Year	Change in Measure	Implied Change in Number Enrolled/Affected	Used in Implied Total?
Benin	GER	1,070,309	77.0%	76.0%	1.0%	10,703	yes
Ethiopia	GER – national	14,722,762	45.8%	42.0%	3.8%	559,465	
	GER – Tigray	728,127	58.4%	56.1%	2.3%	16,747	yes
	GER – SNNPR	2,846,885	49.2%	47.9%	1.3%	37,010	yes
Guinea	GER	1,300,571	53.5%	51.0%	2.5%	32,514	yes
Mali	GER	1,775,273	53.9%	50.0%	3.9%	69,236	yes
	Gross access rate	295,878	52.9%	47.1%	5.8%	17,161	
Uganda	GER	4,377,695	131.0%	115.0%	16.0%	700,431	yes
	NER	4,377,695	93.0%	85.0%	8.0%	350,216	
El Salvador	Rural children aged 7–10 attending school	N/A	82.4%	80.7%	1.7%	N/A	
Implied total change in enrollment during previous year:						866,641	

GER = gross enrollment ratio; NER = net enrollment ratio. See section B for definitions.

countries shown in this table are in sub-Saharan Africa, where Missions are working to expand access to primary schooling. In the case of Ethiopia, only the reported increases in enrollments for the two regions where USAID concentrates its basic

education efforts are used in computing the aggregate enrollment figure.

Changes in primary enrollment by girls. Table C.3 provides a similar aggregation of Mission-reported program results based on targeted

changes in girls' enrollment in primary school. Two factors make it difficult to compare the results shown in this table with those shown in table C.2: first, many of the programs targeting girls outside of **sub-Saharan Africa** concentrate on subnational areas, for which estimates of the number of school-age children were not yet available. Even more important, from a

at the primary level. Table C.4 summarizes a third set of Mission-reported results indicators, all intended to measure gains in educational quality. These include reduced grade repetition, increased pass rates at the end of particular grades or on school-leaving exams, improved classroom practices, and an increased share of children completing particular grades. The last

programs. In particular, educational quality is the principal focus of most USAID basic education programs in **Latin America and the Caribbean**, where access to primary schooling tends to be less pressing an issue than in **Africa** and **Asia and the Near East**. The relative prominence of enrollment indicators mainly reflects the greater "countability" of enrollment. In contrast, data on student learning—the best measure of educational quality—are nonexistent or highly unreliable in most developing countries. As a result, improvements in quality are harder to capture with available objective data, so fewer Missions include such measures in their results reporting, even when paying careful attention to quality issues in the field. Identifying additional, widely applicable measures of educational quality and promoting more widespread collection and reporting of these measures by Missions are important issues for USAID.

Table C.3: Changes in Girls' Primary Enrollment/Access Targeted by USAID Basic Education Programs

Country	Enrollment Rates	Girls in Age Group	Value of Measure, Latest Available Year	Value of Measure, Previous Year	Change in Measure	Implied Change in Number Enrolled/Affected	Used in Implied Total?
Benin	GER – girls	550,230	61.0%	60.0%	1.0%	5,502	yes
Ethiopia	GER – girls, national	7,361,381	45.8%	31.0%	14.8%	1,089,484	
	GER – girls, Tigray	359,264	53.8%	50.2%	3.6%	12,934	yes
	GER – girls, SNNPR	1,378,746	33.5%	31.0%	2.5%	34,469	yes
Guinea	GER – girls	650,285	40.0%	36.9%	3.1%	20,159	yes
Mali	GER – girls	879,887	44.4%	40.3%	4.1%	36,075	yes
	Gross access rate – girls	146,648	45.7%	41.0%	4.7%	6,892	
Egypt	School enrollment of girls in Upper Egypt	N/A	69.8%	68.7%	1.1%	N/A	
	Cumulative number of girls benefiting from USAID support through formal and nonformal programs		41,489	34,282	7,207	7,207	
Morocco	Girls' enrollment ratio in pilot schools – 1st grade	N/A	42.0%	47.0%	-5.0%	N/A	
	Girls' enrollment ratio in pilot schools – 6th grade	N/A	34.0%	31.0%	3.0%	N/A	
El Salvador	NER – girls, rural areas	N/A	83.5%	81.4%	2.1%	N/A	
Guatemala	GER – girls, Quiche	N/A	79.1%	64.7%	14.4%	N/A	
	Rural primary gender equity ratio in Quiche, based on gross enrollment ratios	N/A	78.1%	75.1%	3.0%	N/A	
Implied total change in girls' enrollment during previous year:						88,980	
GER = gross enrollment ratio; NER = net enrollment ratio. See section B for definitions.							
Gross access rate = GER in first grade.							

quantitative standpoint, is the fact that USAID/**Uganda** does not target or report primary enrollment on a gender-disaggregated basis; as a result, we cannot know how many of the newly enrolled Ugandan children shown in the previous table are girls. For the remaining four countries, the estimated increase in girls' primary enrollments during the past year—roughly 89,000—is just over half of the combined increase for boys and girls for those countries. *Improvements in educational quality*

measure is used on the assumption that parents will keep their children in school only as long as they perceive that the school is providing an education worth postponing children's entry into the labor force. Many of the quality indicators shown in the table apply specifically to schooling for girls.

The table underrepresents USAID's emphasis on educational quality, which is a central concern in almost all of the Agency's basic education

Decentralization and parental/community support. Several USAID Missions promote the decentralization of basic education systems, along with a stronger role for local communities and greater support and involvement by parents in the educational process. Table C.5 shows a number of the indicators that Missions use to report these efforts. As with educational quality, this table probably understates the priority that USAID places on this issue, because many aspects of decentralization are qualitative and difficult to measure objectively.



Table C.4: Representative Indicators of Improvement in Educational Quality Targeted by USAID Basic Education Programs

Country		Rate or Value of Indicator		
		Most Recent Year	Previous Year	Change
Benin	Primary school repetition rate	26.0%	26.0%	0.0%
	Pass rate on primary school leaving exam	69.0%	67.0%	2.0%
Ethiopia	Percentage of program-assisted schools with repetition rates less than 11% among 4th-grade girls: Tigray	68.0%	67.0%	1.0%
	Percentage of program-assisted schools with repetition rates less than 11% among 4th-grade girls: SNNPR	52.2%	52.3%	-0.1%
Ghana	Teachers in targeted schools using pupil-focused teaching practices	37%	15%	25%
	Number of targeted schools pursuing community school improvement programs			
Uganda	Completion rate, grade 4	116%	106%	10%
	Completion rate, grade 7	61%	53%	8%
Egypt	Pass rate among girls in USAID-supported schools	98%	100%	-2%
Morocco	Girls' 6th-grade completion rate, USAID-assisted schools	53%	26%	27%
Haiti	3rd-grade pass rate in USAID-supported schools	76%	71%	5%
	Girls' 3rd-grade pass rate in USAID-supported schools	76%	68%	8%
Honduras	Pass rate among students in USAID-assisted alternative education program	66.4%	65.0%	1.4%

b. USAID Objective: "The Contribution of Host-Country Institutions of Higher Education to Sustainable Development Increased"

Higher-Education Program Approaches

USAID's efforts to strengthen the development contribution of host-country institutions of higher education follow two broad approaches:

- Higher education as means: support for a wide range of partnerships between host-country and U.S. institutions of higher education, aimed at achieving development results across the full range of USAID's Strategic Plan
- Higher education as end: a narrower set of efforts aimed specifically at strengthening the overall performance and capabilities of host-country institutions

Although distinguishing between these two approaches helps in articulating USAID's work in higher education, in practice the two approaches overlap in important ways. Thus in supporting partnerships involving host-country institutions, USAID usually seeks to achieve sustained improvements in their capacity to deliver results, especially results related to the immediate aim of the partnership (e.g., developing improved crop varieties, developing

new curricula in public administration or agroforestry, and training human rights lawyers). Conversely, most USAID efforts to strengthen a particular institution of higher education choose that institution on the basis of its potential to contribute to USAID's development goals (e.g., a business school, a law school, or a department of agricultural science or environmental studies).

Examples of Higher-Education Program Results

USAID support for higher education contributes to results in all of the Agency's strategic goals and objectives. The varied nature of those results, together with the fact that they are often viewed as a means to achieve other development ends, makes it difficult to aggregate those results into meaningful measures of impact at the Agency level. This is especially true of partnerships involving higher education. The Center for Human Capacity Development in USAID's Global Bureau administers a number of programs that link U.S. institutions of higher education with host-country counterparts and tracks measures of the impact of these partnerships. Since 1998 the **Africa** Bureau has

Table C.5: Representative Indicators of Decentralization and Parental/Community Support Targeted by USAID Basic Education Programs

Country		Rate or Value of Indicator		
		Most Recent Year	Previous Year	Change
Ghana	Number of targeted schools pursuing community school improvement programs	40	18	26
	Percentage of communities active in decision making in targeted schools	87%	11%	76%
Guinea	Primary schools in targeted regions with active parental/community support	203	65	138
Malawi	Percentage of schools with functional school management committees	77.6%	13.2%	64.4%

provided support for sustainable partnerships with African universities under the Education for Development and Democracy Initiative; impact measures, including greater financial self-reliance and stronger emphasis on community service, have been identified, but the necessary data not yet collected. Finally, the Bureau for **Europe and Eurasia** has invested in helping colleges and universities in the region become effective sources of training in business, law, and other fields critical to the transition to democratic governance and a market economy. Much of this investment has been reported under budget codes for economic growth, democracy and governance, etc., based on the kind of training involved. Further information on these efforts is contained in the Agency's Budget Justification, together with the annual results reports of these Bureaus and their respective operating units.

Summarizing Agency impact is somewhat easier in the case of efforts aimed specifically at institutional strengthening, because of their smaller number:

In **Egypt**, USAID has awarded 53 linkage grants to support cooperative research by U.S. and Egyptian universities to help solve problems facing Egyptian business and industry, 79 percent involving the private sector. Businesses benefiting from the research have committed to covering the local currency costs of the research performed on their behalf and a mission. In addition to the benefits to local industry and Egyptian economic growth, the linkage grants program has helped

promote the importance of applied research, something of a new idea in Egyptian higher education.

In **South Africa**, USAID has provided grants to U.S. colleges and universities to work with historically disadvantaged institutions (HDIs) in areas such as financial management and internal control; supported eight HDIs in upgrading their curricula in selected areas; and placed scholars in the HDIs through the International Foundation for Education and Self-Help. An evaluation (1999) concluded that these scholars have made significant contributions to strengthening the host HDIs in research, management, curriculum, and student development.

In **Bulgaria**, U.S. support for the American University of Bulgaria (AUBG) has produced a university that has become a regional center for training young people to move into leadership positions. AUBG launched a new leadership program in 1999 targeting Kosovars and ethnic Albanians. This program provided an important opportunity for the Kosovars to complete their education in a secure multiethnic and multicultural environment.

In **Eritrea**, USAID has financed short-term and long-term training of civil servants in various agencies of the Eritrean government—including the faculty and staff of the University of Asmara—through the Eritrean Technical Assistance Project (TAP) and the Civil Society/Microenterprise Project. Among other elements, the program has included a linkage program between the University of Asmara and the University of North Carolina at Chapel Hill in the fields

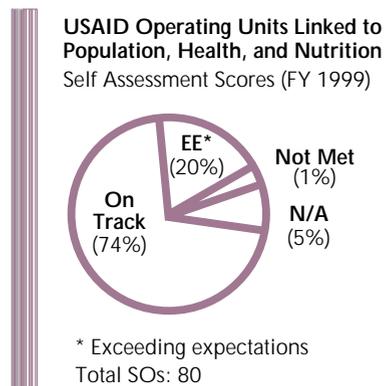
of law, journalism, and social sciences.

Program(s) Failing to Meet Expectations

Eritrea. Implementation of the program just mentioned has been essentially suspended this year, pending a redesign and reorientation of the program. Although this strategic objective has failed to meet expectations overall, the portion focused on higher education appears to have been an exception: the Mission reports that the redesigned program will place stronger emphasis on human capacity development. In the meantime, the University of Asmara has worked with the Mission to put into place agreements with U.S. universities in the fields of law, health, business, and the social sciences.

Stabilize World Population and Protect Human Health (PHN)

This section discusses the performance of the HPN objectives of USAID's operating units as of September 30, 1999, drawing on the self-assessments of these units. It provides examples of results



achieved through USAID efforts undertaken around the globe and



discusses operating unit objectives that failed to meet expectations.

Program Objectives/Approaches

USAID seeks to help stabilize world population and protect human health through programs directed at five broad objectives:

- Unintended and mistimed pregnancies reduced
- Infant and child health and nutrition improved and infant and child mortality reduced
- Deaths, nutrition insecurity, and adverse health outcomes to women as a result of pregnancy and childbirth reduced
- HIV transmission and the impact of the HIV/AIDS pandemic in developing countries reduced
- The threat of infectious diseases of major public health importance reduced

Self-Assessment of Performance by Missions and Other Operating Units

Throughout this discussion, examples of program results include activities that were on track, exceeded expectations, and missed expectations. However, even if expectations were not met according to the quantitative measure for an activity, the overall strategic objective may be on track when all activities contributing to the objective are considered.

a. *USAID Objective: "Unintended and Mistimed Pregnancies Reduced"*

USAID programs under this objective focus on helping families achieve their desired family size by reducing fertility and encouraging child

spacing and by reducing the use of abortion as a method of family planning, especially in E&E.

To address both types of results, the Agency concentrates on five key program areas:

- Access to, and demand for, voluntary family-planning services so that people can freely choose the number and spacing of their children
- Improved quality, availability, and acceptability of family-planning and related reproductive services
- A positive policy environment for voluntary family-planning and reproductive health (FP/RH) services
- Enhanced long-term capacity of local institutions to design, finance, implement, and evaluate programs
- Development and improvement of contraceptive technology

Examples of USAID Program Results

Changes in fertility and contraceptive prevalence are measured at the country level every three to five years through demographic and health surveys (DHSs). In countries where DHSs were conducted, the 1999 results showed that several countries have had rapid decreases in total fertility during the past five to six years. Some of the results that stand out are found in **Nicaragua, El Salvador, Egypt, and Bangladesh**. For instance, total fertility rate (TFR) in **Nicaragua** dropped from 4.6 in 1993 to 3.9 in 1998. In **El Salvador**, there was a decline from 3.9 in 1993 to 3.5 in 1998. In **Egypt**, fertility rates continued their steady long-term trend downward through 1999: TFR

had dropped from 3.6 children per family in 1995 to 3.1 at the time of the pilot for the 2000 DHS.

Contraceptive use by married women has increased by more than one percentage point per year since 1992, when the level was 47 percent. In **Bangladesh**, where USAID has been the largest donor and has maintained a strong partnership with the government since the mid-1970s, there has been an astounding reduction in the total fertility rate. Overall births per woman decreased from 7–8 to 3, and fertility in urban areas is now at the replacement level of 2.1 births per woman.

To assess USAID programs on an annual basis, measures that are more closely related to program activities are more useful than the TFR measure. The contraceptive prevalence rate (CPR) and couple-year of protection (CYP) are widely accepted measures for this purpose. Contraceptive prevalence is a proxy for fertility reductions because research shows that the correlation is strong. USAID uses sales and/or distribution of contraceptives to calculate CYP, a standardized measure of the amount of contraceptive use required to provide a year's worth of protection against pregnancy. From the Agency's reports, it appears that program interventions are affecting CPR. For example, since 1995, availability of family-planning services in **Uganda** has doubled. The use of modern contraception has increased 1.5 percent annually, resulting in an overall CPR of 21 percent. In **West and Central Africa**, a region that consistently underperforms in most indices, USAID's program has made



significant progress, although CPR remains low. For instance, in **Cote d'Ivoire, Cameroon, Togo, and Burkina Faso**, use of modern contraceptives has risen steadily since our program's inception and is on track to reach a target CPR of 10 percent by the end of 2000. While all four countries are showing gains, the DHS data show that CPR increased most dramatically in **Cote d'Ivoire**, from 6 percent in 1994 to 10 percent in 1998/99.

Guatemala is another one of our population success stories, with CPR increasing from 31 percent to 38 percent between 1995 and 1999 and exceeding the 2000 target of 35 percent. However, TFR decreased only modestly from 5.1 to 5.0 during the same period, pointing to a need for additional analysis to understand these potentially conflicting results. In **Haiti**, the CPR for modern methods increased from 16 percent in USAID project areas in 1997 to 25 percent in 1999. USAID had expected CPR to reach 27 percent by 1999, but achievement fell short in part because of high discontinuation rates, which are now being addressed by USAID.

USAID estimates that in FY 1999 more than 4.6 million new contraceptive users were reached in 11 countries. Much of the FY 1999 increase has been realized in the **Africa** region. For example, in **Benin** condom sales increased 65 percent from 1998 to 1999, and oral contraceptive sales exceeded targets by 42 percent. In **Eritrea**, through the Agency's efforts, around 90 percent of the traditional outlets are now selling USAID-procured condoms. CYPs increased from 7247 in 1998

to 8014 in 1999 based on Ministry of Health (MoH) data. While less rapid than projected, the CYP increase is noteworthy, given the current state of military mobilization. Two thirds of all health facilities with staff trained through USAID showed increased CYP, with a net increase overall. CYPs exceeded expectations by 59 percent in **Tanzania**. New users of family planning reached nearly 1.1 million. CPR has increased to 15 percent for modern methods, exceeding planned figures. Modern contraceptive use for married women in **Zimbabwe** has increased steadily, from 42 percent in 1994 to 50 percent in 1999. The number of users obtaining supplies from the private sector increased from 12 percent in 1994 to 17 percent in 1999, largely as a result of the USAID/DFID-cofinanced PROFAM activity that supplies low-priced contraceptives.

Underpinning the moves to increase contraceptive prevalence are programs that will heighten demand through education and through increased numbers of sites that offer quality services to both men and women. In **Jordan**, USAID supported an innovative communications program aimed at men and religious leaders. In surveys undertaken following the program campaign, 90 percent of the men interviewed could correctly comprehend and explain family-planning messages. The percentage of men who want to use family planning increased from 74 to 84 percent. To improve local access, the Agency has also helped mobilize local mayors in **Africa** to support provision of reproductive health services to high-risk groups. By 1999, 14 African municipalities

in seven countries were better able to plan, implement, and evaluate these services. The initiative trained 1,700 persons in clinical FP services, 100 community-based peer educators in outreach, and 400 community leaders in advocacy.

With USAID support, a program sponsored by the **Ethiopian** Evangelical Church increased knowledge of at least one modern contraceptive to 90 percent of the population in the focus area, compared with the national average of 63 percent. In the same area, CPR increased from 4 percent at baseline to 34 percent in FY 1999. Peer education programs emphasizing reproductive health are multiplying in Mali. The government has expanded the target age range for these programs to ages 10 to 24 in order to include vulnerable groups such as adolescents and young adults. This expansion has been an important change. In 1999, USAID supported the training of more than 2,500 peer educators, and 760 peer educators reached 100,000 youth with reproductive health information.

In **Malawi**, access to the full range of FP services increased. Twenty-eight hospitals across the country are now providing comprehensive service. In **Mozambique**, the expansion of FP services in 1999 exceeded expectations. By the end of the year, 150 health posts in the focus area were providing FP services, up from zero in 1997 and nearly double the 1998 figure. We continue to make progress in increasing the number of FP sites in **Nigeria's** 14 states (out of 36) where modern contraceptives are available. The number of community-based distributors



increased 14 percent from FY 1998, and the number of sites offering clinical services increased 27 percent (from 44 in 1998 to 56 in 1999).

Improving the quality of services is the linchpin for increasing access to, and informed choice about, reproductive health services. This was the principal focus of an initiative in **Brazil**, PROQUALI, which succeeded in establishing the first clinic-level accreditation program in **Latin America**. The community-based network that has emerged from this initiative is working with municipal decision makers to increase funding of local health systems under Brazil's newly decentralized health program. In **Tanzania**, training of health workers in integrated reproductive health was successfully redirected to rural health facilities that had demonstrated the largest need. This change led to a significant increase in the percentage of government facilities with one trained service provider (from 59 percent in 1996 to 72 percent in 1999). Other impressive gains came in the **Kyrgyz Republic**. Family doctors from the newly formed primary health care practices completed USAID-sponsored updates in contraceptive technology (with average post-training scores of 96 percent), making modern reproductive health services available in virtually all 425 practices.

In the former Soviet bloc countries, USAID programs aim to educate women to use contraception rather than abortion for family planning. This improves women's reproductive health and reduces maternal

mortality. In **Russia**, early 1999 saw the completion of the women's reproductive health initiative, which increased access to modern family-planning services and information in 14 oblasts (which are equivalent to large states in the United States). A 1999 CDC reproductive health survey found that contraceptive prevalence continues to be very high—at approximately 70 percent, a level comparable to that found in a 1996 CDC survey. In spite of this, abortion rates in Russia remained among the highest in the world. Nevertheless, abortion had fallen in the two project areas and not in the control area.

Results have been more encouraging in Central Asia where over the past decade, there have been consistent declines in abortion as more women have had access to contraceptives. In **Uzbekistan**, according to the Ministry of Health, the general abortion rate has continued to decline during the past five years, from 20 per 1,000 in 1995 to 10 in 1999. In **Kazakhstan**, where the leading cause of maternal mortality is abortion, the DHS shows an improving picture from 1995 to 1999. More couples are using modern contraceptive methods (52 percent of married women in 1999, compared with 46 percent in 1995), and the abortion rate declined (57 per 1,000 women aged 15–45 in 1995, compared with 47 per 1,000 in 1999). USAID's effort in **Romania** to promote the use of modern contraception as an alternative to abortion has shown its impact in sharp declines in maternal mortality, from 98/100,000 in 1990 to 41/100,000 in 1998. According to

the 1999 reproductive health survey among married women aged 15–44, modern contraception use increased from 14 to 30 percent since 1993.

To strengthen host-country family-planning programs, USAID focuses on ways to build durable institutions, policies, and practices that will continue to influence in-country decisions, regardless of donor presence. The opportunities vary, depending on the local politics and opportunities, and success takes many forms. Some of the most powerful levers to achieve sustainable programs are viable financing systems and organized advocacy. Good examples of progress in these areas were reported in 1999. Seven countries, **Bolivia**, **Ecuador**, **Egypt**, **India**, **Mexico**, **Philippines**, and **Turkey**, either increased their financing for FP/RH or improved resource mobilization. In **Romania**, family planning is now included in a health insurance fee-for-service package. Also, a women's election advocacy strategy has been implemented by the Romanian Reproductive Health Coalition and seeks to include women's issues in the political parties' platforms. With USAID phasing out its support in the health and family-planning sectors in Ecuador after FY 2001, more emphasis has been placed on the sustainability of services. Innovative health policy changes were made in the MoH, including implementation of fees for services in hospitals and the decentralization of MoH budgeting. In **Morocco**, the MoH demonstrated continued commitment to finance reproductive and child health programs, actually spending more for contraceptives

than originally planned. Furthermore, the financing of FP/MCH services is being diversified, with private-sector contraceptive sales increasing by 22 percent in 1999. In **Egypt** there has been continued progress in sustainability indicators, with an increase in the GoE's percentage share of national family-planning program costs (from 49.5 percent in 1996–97 to 52.9 percent in 1997–1998).

b. USAID Objective: "Infant and Child Health and Nutrition Improved and Infant and Child Mortality Reduced"

USAID's child health and survival programs focus on achieving reductions in infant and child mortality. The Agency works in seven program areas to achieve these objectives:

- Expand access to, and use of, key child health interventions that prevent and control the five primary childhood illnesses: diarrheal disease, acute respiratory infection, malnutrition, malaria, and vaccine-preventable diseases
- Improve quality, availability, acceptability, and sustainability of key child survival interventions
- Improve child nutritional status, including improving breastfeeding patterns
- Prevent the spread of childhood diseases by developing, testing, and replicating priority environmental health interventions
- Strengthen the capacity of local institutions to provide quality child health interventions

- Promote establishment of an enabling environment for the delivery of key interventions
- Strengthen research on topics in child survival, including new vaccines, simple technologies, and service delivery approaches

Our programs also address key factors contributing to poor child health, such as the need to improve maternal health to protect the outcome of pregnancy

Examples of USAID Program Results

During 1999, USAID maintained its global technical leadership role in child survival. Many of our achievements were made possible through collaborative work with other donors and have global or regional significance:

- Taking a leading role in a global initiative for injection safety (the Safe Injection Global Network, "SIGN").
- Assessing barriers to including new vaccines in national immunization programs in four countries, ensuring that findings are integrated into investment strategies for the Global Alliance for Vaccines and Immunizations (GAVI).
- Defining the "household/community" component of the Integrated Management of Childhood Illness (IMCI) approach with an Interagency Working Group, developing a structured approach for its introduction and implementation, and with Pan American Health Organization (PAHO) launching the household/

community component in five **LAC** countries.

- Expanding national vitamin A supplementation programs throughout **Africa**, in collaboration with UNICEF and WHO.
- Developing infant feeding guidelines for use in high HIV/AIDS endemic areas.
- Developing and testing (initially for polio) a community-based disease surveillance approach.
- Providing the model for large-scale quality assurance programs funded by the World Bank in **Indonesia, Niger, and Ecuador** and for national programs in **Chile** and **Costa Rica** (polio cases reduced by 85 percent since 1989 and transmission of the polio virus limited to only 30 countries).

Through 1998, while overall infant and under-5 mortality reductions have been stagnant or increasing in the **Africa** and **E&E** regions, examples from **ANE** region reflect the gains being made there. At the country level, 1999 DHS results from two countries showed encouraging progress in reducing child mortality. When taken together with measures of USAID program interventions, the impact can be linked to Agency efforts. **Cambodia**, which started the period with the highest level of under-5 mortality, was among the countries in the region enjoying the largest decline. Infant mortality declined significantly between 1990 and 1999, in large part because of improved immunization coverage. However, exceptionally high rates of HIV/AIDS among adults threaten these gains in Cambodia. According



to the **Egypt** 1999 pilot mini-DHS, under-5 and infant mortality declined between 1998 and 1999, exceeding planned targets. The small sample size and number of deaths on which mortality estimates are based dictate caution in interpreting short-term change, but the survey did indicate that a long-term decline is continuing. Since 1982, under-5 mortality has fallen from 151.5 deaths/1,000 births to 53/1,000. The infant mortality rate fell from 94.9/1,000 in 1982 to 39.5/1,000. Despite these hopeful trends, mortality levels are unacceptably high relative to the region (e.g., the IMR in Jordan is 30/1,000).

Programs to address vaccine-preventable diseases are at the core of USAID's child survival program and are designed to improve under-5 mortality in the future. During 1999, USAID Missions reporting on immunizations had generally positive results, but there were some disappointments in achieving targets for full immunization coverage for children. During 1995–99, complete vaccination coverage of children 12–23 months old increased from 43 percent to 60 percent, meeting the original 2000 target. However, some countries fell short of targets. For instance, in **Haiti**, full immunization coverage was 56.2 percent, rather than the 64 percent targeted. This still represents progress over the 1994 rate of 30 percent, a significant gain given the political problems during this time period. In the **Philippines**, the percentage of fully vaccinated children has stalled at 64 percent in 1999, and the percentage of live births covered by tetanus-toxoid may actually be declining. This was reported to be down 4.6

percentage points to 33.2 percent in 1999. The Mission conducted research during FY 2000 and discovered that the percentage of fully immunized children and the percentage of live births covered by tetanus toxoid increased slightly from 1999 to 2000. Almost 100 local governments, representing nearly 90% of the population, are now combining staff and funds with USAID support in a program specifically focused on improving this situation..

Many countries are having noteworthy successes with immunization initiatives. Thirty-five of 36 African countries now have national immunization plans, and USAID successfully encouraged WHO/AFRO to produce a new regional immunization strategy. In Zambia, a measles vaccination coverage rate of 81 percent was achieved.

In the **LAC** region, targets were met for measles vaccination (five/five countries reached 95 percent coverage), and coverage with DPT3 and TT2 in eight child-survival emphasis countries rebounded after slippage in 1998. In **Bolivia**, USAID was the major donor in this year's national immunization campaign, which focused on eradication of measles. The goal of 95 percent coverage was exceeded. In complementary activities, 62 percent of targeted children received a third dose of DPT, exceeding the 1999 expected level of 46 percent. As a result of USAID technical assistance to the government of the **Kyrgyz Republic** (GOK), newborns are being immunized against hepatitis B for the first time. In 1999,

46 percent of newborns were vaccinated. In **Uzbekistan**, the government has changed its policy as well, resulting in 25 percent of newborns being immunized against hepatitis B in 1999, compared with none in 1998.

With a grant from USAID, UNICEF implemented immunization and health education programs—as a result of which, 80 percent of **Azerbaijan's** children are fully immunized, 87 percent are immunized against measles, and 96 percent against polio.

USAID has been involved in the global campaign to eradicate polio since 1988. When these efforts began, there were 35,000 reported polio cases, but WHO estimated that there were actually 10 times this number of cases. In 1999, there were 7,124 polio cases reported. Concurrently, the number of polio-endemic countries declined to 30 in 1999 (from 130 in 1988). The most intensive eradication efforts are being conducted in 10 priority countries: the polio reservoir countries of **Bangladesh, India, Pakistan, Ethiopia, and Nigeria**, and the war-torn countries of **Afghanistan, Angola, the Democratic Republic of the Congo, Somalia, and Sudan**. USAID is a major donor in seven of these countries. While interruption of the transmission of the wild polio virus will not be completed by the end of 2000, we are on track, and the goal is within our grasp. It is now clear that interruption of the transmission can be achieved by the end of 2001 or shortly thereafter.

During the past year, some of the

achievements in the campaign against polio in **Africa** included the national effort to immunize approximately 90 percent of 10 million targeted children in **the Democratic Republic of the Congo**. House-to-house national-immunization-day (NID) campaigns for polio eradication in **Nigeria** led to 34.2 million and 35.4 million children receiving immunization against polio during rounds one and two of the campaigns, respectively. In **Zambia**, 96 percent of eligible children in 34 districts received oral polio vaccine. Nearly 4 million children in **Mozambique** were vaccinated during NID campaigns conducted by the MoH during 1999. Planning and logistical support from private voluntary organizations (PVOs) contributed to the overall effort. For the first time, the 1999 NID campaigns also provided vitamin A supplements, reaching 97 percent of all children aged 6 months to 59 months.

The Agency is continuing its fight against child malnutrition. Recognizing that moderate malnutrition also has severe effects on childhood development, in the past year we have shifted our child nutrition activities to concentrate on this aspect. USAID recommendations for refocusing child nutrition programs have been widely disseminated to the PVO community. As a result, PVO Title II food aid programs in **India, Benin, Bolivia, Honduras, and Guatemala** have adapted the recommendations to the specific program context. With the support of other donors concerned with a preschool nutrition program, USAID-assisted programs in **India** successfully brought about a change

in the strategy. Children under 2 are now targeted for take-home rations.

AIN, a model preventive health and nutrition intervention developed by USAID in **Honduras**, has proven so successful that the World Bank is now implementing it in **Bolivia and Nicaragua**. USAID will replicate the model also in the **Dominican Republic**. Designed to engage the community and families of children under age 2 in joint efforts to maintain adequate growth, it focuses on household health care practices such as breastfeeding, increasing child feeding, home care of illness, and health referrals. The emphasis on adequate monthly weight gain is a shift from the traditional focus on nutritional status (a more static measure of attained growth). In **Honduras**, the first year of implementation included these remarkable results:

- Almost universal participation (98 percent of those under 2)
- More children gaining weight
- In communities with the highest levels of malnutrition at baseline, a decrease from 39 to 8 percent
- In communities with medium levels of malnutrition, a decrease from 25 to 10 percent
- In communities with low levels at baseline, all children improved

In **Madagascar**, where 1 in 10 babies dies before reaching its first birthday, regional data show that the percentage of infants aged 0–6 months who are exclusively breastfed grew from 24 percent to 55 percent during 1996–99. This response to a USAID-supported

program should result in a decrease in infant mortality in the next few years. In **Haiti**, 1999 data showed a continuing decline in malnutrition rates. Height-for-age measurements revealed programwide improvement in chronic undernutrition of 10.8 percentage points over two years, from 37.8 percent in 1997 to 27 percent in 1999.

While malnutrition is usually associated with a lack of food, nutritional status is strongly influenced by the presence or absence of essential micronutrients in the diet. USAID sponsors supplementation and food fortification programs in many countries to improve food quality. Ever more countries are included in programs to provide vitamin A to deficient populations. In 1998–99, USAID assisted 18 countries to add this nutrient to their national immunization day programs. In **Zambia**, 84 percent of all children under 5 receive these supplements as part of ongoing, routine health care activities of the district health management teams. In **Nepal**, similar distribution systems expanded from 58 to 65 of the 75 districts and reached 90 percent of children in the targeted districts.

In the past few years, **Honduras and Guatemala** have demonstrated that the fortification of sugar can help improve the micronutrient status of the population. **Nicaragua** recently joined its neighbors in the universal vitamin A/fortification of sugar. USAID provided technical assistance to the government and the six local sugar producers, who began fortifying nearly all the sugar produced in Nicaragua, improving



the health of the two thirds of Nicaraguan children who suffer from some degree of Vitamin A deficiency.

In **Eritrea**, all salt produced by large-scale producers is now iodized. UNICEF, with USAID funding, distributed iodination equipment for small-scale producers in the Southern Red Sea Zone and has resolved distribution obstacles in the Northern Red Sea Zone. At this point, more than 90 percent of all salt is iodized, and surveys show that iodine deficiency has been reduced from 82 percent to 25 percent.

The examples from **Nicaragua** and **Eritrea** point out that these programs not only meet the immediate needs of children but can also improve the capacity and performance of established national industries. Local salt and sugar producers changed their traditional practices and introduced innovative approaches to solve their countries' health problems. We have seen similar innovations whereby the PVO community partnered with large corporations in promoting truly entrepreneurial programs, whose designs have wide applicability across the developing world. The results achieved are durable, responsive, and replicable. They demonstrate how public-private partnerships increase access to services for previously underserved populations and create economic opportunities:

- Project HOPE/**Malawi** developed a collaborative program with private tea plantations to provide preventive health services for women and children under 5. Seeing the success of this effort,

Malawi's largest agriculture firm replicated the model and is now reaching a population of more than 200,000 agricultural workers and their families. Project HOPE also replicated the model in Guatemala, helping the agricultural estates and other partner agencies to provide services to the families of approximately 85,000 resident and migrant workers. USAID is interested in replicating the model as a means to rebuilding health infrastructure in disaster-stricken areas.

- Land O'Lakes (LOL) and its partner, Health Partners, a Minnesota-based health care corporation, worked with **Ugandan** dairy cooperatives to assist them in opening a health cooperative providing community-based health services to their members. After their initial success, LOL expanded operations into **Tanzania** and conducted a seminar on dairy development and health for cooperative representatives from **Uganda, Kenya, Zambia, and Malawi** to explore further expansion.

While partnering is an effective method for achieving sustainability, PVOs have undertaken a variety of approaches. A 1999 evaluation of the sustainability of PVOs that benefited from two USAID programs was assessed. The findings from this study will be used to develop a cost-effective approach for the PVOs to measure sustainability within their programs and for USAID to determine how to track sustainability achievements across USAID programs.

The exploratory study, conducted in February and March 2000, assessed sustainability of child survival grants in **Bolivia** and **Bangladesh**. The study included 14 PVOs and their NGO partners (a total of 8 in Bolivia and 6 in Bangladesh) with grants that started on (or before) 1985 and ended by 1997. In general, results indicate strong evidence of sustainability in both countries. Major findings include the following:

- Through alternative sources of funding, many project activities were continued after USAID funding had ceased. Of eight PVOs in **Bolivia**, five continued activities for an average of two years with other sources of funding. Of six PVOs/NGOs in **Bangladesh**, four continued most child survival services with private funds. In Bolivia there was little significant cost recovery because government policy does not support it. In Bangladesh, three out of four organizations providing direct services reported from 3 to 40 percent recovery of recurrent costs. The capacity built through the child survival grants resulted in greater organizational capacity of PVOs and their local partners, including technical and managerial capacities, and institutionalization of lessons learned. In Bolivia, three PVOs/NGOs used their child survival grants to begin work in the country for the first time. All three have remained and expanded their programs. Thousands of government workers in both countries have received training in both curative and preventive health care and in management.

- Community structures created or reinforced under the grant continued to function. Committees and volunteers continued to work in six areas where PVO/NGO projects had operated (three in **Bolivia** and three in **Bangladesh**).
- Five PVOs demonstrated sustained impact in communities from two to four years after the PVO-initiated activities had been discontinued. A new baseline study in **Bolivia** (with substantial overlap with old communities) found that oral rehydration therapy (ORT) use had been sustained: 47 percent at baseline, 77 percent at project end, and 71 percent two years later. A survey in **Bangladesh** five years after the end of the project revealed that 79 percent of children were fully immunized in the project area, compared with 56 percent in adjacent communities.

Program(s) Failing to Meet Expectations

Examples are cited above of activities in **Haiti** and the **Philippines** that did not meet expectations.

c. USAID Objective: “Deaths, Nutrition Insecurity, and Adverse Health Outcomes to Women as a Result of Pregnancy and Childbirth Reduced”

The Agency’s maternal health strategy aims to:

- Increase access to, and use of, quality maternal and reproductive health interventions at the community, family, and individual levels
- Improve nutritional status

- Ensure birth preparedness
- Improve treatment of life-threatening obstetrical complications
- Ensure safe delivery and postpartum care
- Improve long-term capacity of local institutions

Examples of USAID Program Results

Provision of accessible, culturally sensitive, high-quality maternal health services is crucial for promoting health and nutrition and rapidly treating life-threatening obstetric complications.

The diversity of USAID’s programs reflects differences in the health care infrastructure that exist in partner countries, as well as cultural traditions of inpatient vs. home birth settings. At one end of the spectrum is the Kosice/Providence hospital partnership. It saved many lives by improving the clinical practice of perinatal, neonatal, pediatric, and gynecological medicine in eastern **Slovakia**. The partnership helped create a new infrastructure for clinical care, upgrades in nursing practice, and clinical protocols to control infection and manage pharmacology. The perinatal mortality rate in Kosice fell from 6.9/1,000 in 1995 to 4.1/1,000 in 1997. The mortality rate in one referral hospital dropped from 15.1/1,000 to zero, and in another from 8.4/1,000 to 1.3/1,000. Improved management of high-risk pregnancies resulted in a reduction of the perinatal mortality rate in eastern Slovakia from 19.1 percent to 5.15 percent, and the neonatal rate from 24.2 percent to 7.2 percent.

In whatever setting, there is compelling evidence that when births are attended by medically trained personnel with needed resources, risks to the mother are reduced and outcomes are improved. Also, when women perceive that they are receiving quality care, they increase use of clinical services prior to delivery. Survey data show that the number of births attended by medically trained personnel is increasing in all regions, except **Africa**. Many USAID programs have shown excellent results from programs to increase the percentage of deliveries with trained attendants and to improve the quality of service delivery. For instance, in **Indonesia**, the percentage of deliveries in South Kalimantan managed by a trained midwife rose significantly from 37 percent in 1996 to 58 percent in 1999. USAID’s maternal and neonatal program introduced an essential obstetrics training package that has been adopted for use by the MoH and other donors. In **Uganda** an increase in trained personnel matches an increase in demand for better care. The number of nurses and midwives trained to provide integrated RH/MCH services increased by 50 percent, bringing the total trained to 936, and a greater proportion of women delivered at health facilities (56 percent in 1999 compared with 48 percent in 1995). The percentage of pregnant women who received at least one antenatal visit remained high (90 percent), and 72 percent received the minimum of three antenatal visits recommended by the MoH.

Seven of 10 countries in the **LAC** region increased coverage of



deliveries with trained health personnel. Four now audit at least 20 percent of maternal deaths. In **Bolivia** 51 percent of pregnant women received advice and assistance from competent attendants during birthing, exceeding the 45 percent target.

Furthermore, women who are educated about their pregnancy and possible risks are better able to make decisions that will benefit their health and the health of their baby. In **Guatemala**, a setting where 95 percent of the births occur in the home, information, education, and communication (IEC) programs in six districts have increased demand for and utilization of, hospital-based essential obstetric care services by 50–77 percent. In **Bolivia**, at the community level, USAID focuses on empowerment of women and culturally appropriate approaches to effective self-care and preparation for birth. “Autodiagnosis” has been expanded to 513 communities and contributed to a 120 percent increase in attended deliveries in health facilities in rural municipalities over 10 years. This was also supported by recent extension of health insurance to cover maternity care. Women in Bolivia who heard the innovative and very popular radio drama, “Destiny’s Diary,” aired in local languages reaching 650,000 people, were more likely to recognize complications and plan for obstetric emergencies. USAID’s IEC activities continue to be recognized as some of the most effective and successful in Uganda. Achievements include an increase in the number of women who can name at least three significant signs of a complicated

pregnancy from 13 percent in 1997 to 18 percent in 1999. In addition, more women report coming earlier for their first antenatal visit.

Program(s) Failing to Meet Expectations

But not all programs meet expectations. In the **Indian** state of Uttar Pradesh, two National Family Health Surveys show that the percentage of deliveries attended by health professionals increased from 17.2 percent in 1993 to 22.4 percent in 1998. However, a recent survey indicated that this measure decreased by 3.1 percentage points in 1999. The reasons for the decline in the proportion of births attended by health professionals are not clear, but the decline may be due to staff shortages in district hospitals. The mission is actively trying to identify the reasons for this decline and, together with its implementation partners, to take corrective action. However, despite successful pilot programs, we will proceed cautiously as we scale up activities to cover all of Uttar Pradesh during the next several years.

d. USAID Objective: “HIV Transmission and the Impact of the HIV/AIDS Pandemic in Developing Countries Reduced”

Under this objective, the Agency focuses on five key program areas:

- Increase the quality, availability, and demand for information/services to change sexual risk behaviors and cultural norms to reduce HIV transmission
- Develop, test, and promote HIV/AIDS prevention and care interventions

- Enhance the quality, availability, and demand for sexually transmitted infection (STI) management and prevention services
- Increase NGO community and public- and private-sector organizations to prevent HIV transmission and to support persons with HIV/AIDS and their caregivers, families, and survivors
- Improve the quality, availability, and use of evaluation and surveillance information

USAID’s strategy is based on the need to continue and expand efforts to prevent HIV transmission and to mitigate some of the worse consequences of the pandemic, especially its impact on individuals, families and communities. USAID supports those interventions which have a proven, demonstrated impact in preventing HIV/AIDS transmission:

- Changing high-risk sexual behavior through education and counseling. In Uganda, HIV prevalence has been reduced by nearly 50 percent in young urban women by promoting a delay in the outset of sexual activity and the adoption of safer sex practices.
- Reducing the prevalence of other sexually transmitted infections (STIs). A study in Tanzania demonstrated a 42 percent drop in new HIV infections through proper clinical management of STIs.
- Increasing the distribution and use of condoms through social marketing programs which increase both knowledge and access to affordable condoms.

Condom use represents one of the most effective ways of preventing HIV transmission.

- Reducing mother to infant HIV transmission. USAID-supported field work has demonstrated new ways to reduce mother to infant transmission which accounts for more than 10 percent of new HIV infections.

In addition to prevention programs, USAID supports efforts to mitigate the impact of the epidemic on individuals and communities. These include voluntary testing and counseling programs, support to faith-based groups and other community organizations providing care to individuals and families affected by HIV/AIDS, training for public and private health care providers and work with the Peace Corps, private voluntary organizations, and others on support for orphans and other vulnerable children.

An important program dimension is the emphasis on practical research, application of lessons learned, and measuring results. USAID supports the U.S. Bureau of the Census initiative to regularly update the HIV/AIDS International Surveillance Database, a unique resource that is used by all international partners to track the HIV/AIDS pandemic and the impact of interventions. USAID's global leadership in clinical and operations research bolsters its prevention and mitigation strategies, enabling it to provide assistance and support for state-of-the-art, cost-effective services that directly reach individuals and communities.

Examples of USAID Program Results

USAID's portfolio includes about ten initiatives designed to carry out proven HIV/AIDS interventions and enhance the Agency's response to the epidemic. Cooperating agencies support Missions and countries in implementing HIV prevention and mitigation programs, provide regional and country HIV/AIDS social marketing expertise, and develop and disseminate the most effective methods of combating HIV/AIDS through operations research. The Joint United Nations Programme on HIV/AIDS (UNAIDS), the U.S. Bureau of the Census, and the Centers for Disease Control and Prevention also work with the Agency to coordinate national strategic planning for HIV/AIDS and strengthen surveillance systems.

As of spring 2000, USAID was working on HIV/AIDS programs in 46 countries and had become the global leader in this international fight, because of the Agency's strong field presence, technical leadership, significant and sustained financial support, and its extensive, long-term relationships with host-country institutions. Relationships developed in the field provide the foundation for USAID's track record for building sustainable systems, using highly participatory approaches, and applying lessons learned to enhance the effectiveness and efficiency of programs. USAID-sustained investments in **Uganda** have resulted in a reversal of the explosive upward trends, and in **Senegal** have kept prevalence low. Recent reports from **Zambia** also suggest a reversal of the epidemic with prevalence declines among 15–19-year-olds. These positive results have guided USAID's

development of an overall expanded plan to combat the AIDS pandemic.

Changing Behavior

Changing the behavior of people at high risk for transmitting or contracting HIV/AIDS is central to the Agency's efforts. In **India**, targeted USAID-funded HIV/AIDS prevention activities began in the State of Tamil Nadu in 1997. By the end of 1998, all four high-risk groups targeted by the program achieved significant and sustained changes in their sexual behavior. For example, condom use with a nonregular sex partner increased among commercial sex workers from 56 percent (baseline in 1996) to 80 percent and by male factory workers from 17 percent to 50 percent (source: AIDS Prevention and Control Project, Tamil Nadu, 1999). Thus the program has shown a statistically significant increase in condom use among sex workers and their clients, as well as the reduction of nonregular partners (see table, "Condom Usage"). Since sexually transmitted diseases (STDs) increase the likelihood of transmitting and acquiring HIV, an increase in care-seeking behavior is another important accomplishment of this program. There was, however, a decline in care seeking between 1998 and 1999. This may be attributable to the dramatic increase in condom use and decreasing number of STD infections.

Other behavioral surveillance surveys conducted in **Indonesia** and **Senegal** (1998) showed that between 1996 and 1998, there was increasing condom use in some high-risk groups, but decreasing use in others. For instance, in **Indonesia**, the



percentage of locally based female sex workers in Jakarta using a condom at last commercial sex dropped from 48 percent in 1996 to 35 percent in 1998. However, condom use among female commercial sex workers increased sharply from 37% in 1998 to 48% in 1999 thanks to expanded outreach efforts and condom distribution. .

Condom Sales

Use of condoms is one of the primary prevention strategies. In 1998–99, USAID-supported programs continued to increase annual sales. Presently, USAID is supporting condom social marketing programs in 36 countries. During CY 1999, these programs sold a total of 348.9 million male condoms. If trends prior to the end of September 2000 continue, the number sold will exceed 363 million—a 3 percent increase.

USAID supports the introduction of the female condom through social marketing programs. In 1999, these programs sold 871,000 female condoms, and the current rate for 2000 suggests that more than 938,000 will be sold by the end of the year—an 8 percent increase.

During 1996–99 in the 16 **African** countries included in the Leadership and Investment in Fighting an Epidemic (LIFE) initiative, condom sales/distribution increased in all countries, except **Malawi**. In some countries (**Mozambique** and **Rwanda**), the increase was as high as fourfold. In **Zimbabwe**, condom social marketing succeeded in increasing condom sales/distribution 38-fold, from 230,000 to almost 9

million (source: Population Services International, 2000). In **Peru**, USAID-supported condom purchase and distribution increased from 38.9 million in 1997 to 46.3 million in 1999. In **Honduras**, USAID's NGO partner in HIV/AIDS prevention reached full implementation, distributing almost 3 million condoms.

High-Level Political Support

The successful results in **Senegal**, **Uganda**, and **Zambia**, are attributed in part, to strong national leadership at the highest level of government. In **Zimbabwe**, there was a major breakthrough in publicly demonstrating high-level support with the launch of the USAID-funded National AIDS Policy by President Mugabe on World AIDS Day. The policy launch took place after two-and-a-half years of consultations involving more than 6,000 people and 84 meetings at the national, provincial, district, and sectoral levels. In its 1999 budget statement, the government effected its first "AIDS Levy," a 3 percent tax on taxable earned income to finance HIV/AIDS-related activities. The Parliament approved the establishment of a National AIDS Council to facilitate a multisectoral government approach to tackling HIV/AIDS.

USAID involvement has resulted in increased political commitment at the highest level in Ghana and has begun to generate a multisectoral response to the epidemic. This was accomplished through presentations of a computerized AIDS impact model during 1999. These enabled USAID to effectively advocate for an intensified response among

parliamentarians, government ministries, religious groups, and local leaders. USAID also supported the government with technical assistance to develop a draft national HIV/AIDS strategy.

In **Malawi**, USAID funding was pivotal in supporting the development and launch of the new five-year strategic framework for HIV/AIDS. The President of Malawi gathered political, religious, and business leaders together to personally launch the new plan and call for concerted action to reduce the transmission of HIV/AIDS. One of the most encouraging developments is the increasing demand for voluntary counseling and testing (VCT). Since 1992, USAID's program has seen only modest increases in demand. Following the President's call for action, demand for VCT increased considerably. The local NGO served 5,663 clients in 1999, a 62 percent increase from 3,497 clients in 1998. The recent introduction of same-day results from blood tests is also believed to be a contributing factor and should increase demand even more in 2000.

Diagnosis and Treatment of Sexually Transmitted Infections (STIs)

USAID supports improved, expanded STI control programs in 16 countries. Assistance ranges from developing more effective national guidelines for the diagnosis and treatment of STIs to training health workers and increasing demand for services among vulnerable groups.

During the first six months of FY 1999, infectious syphilis cases in **Jamaica** were reduced by 40 percent through prevention, detection, and

treatment programs. The program focused on the high-risk group of STI clinic attendees. Routine HIV testing among sentinel groups has been carried out in three parishes since 1990. Although there had been a steady increase between 1990 and 1998 (from 3.1 percent to 7.1 percent), HIV seroprevalence among sentinel groups in 1999 remained at the 1998 level.

In **Ghana**, USAID has been working with the government to educate members of the army and national police, as well as the general population, in HIV/STI prevention and to provide improved STI control services to those who are infected. While it is very unusual for USAID to work with either of these groups, members of the army and police are vulnerable to the disease and can transmit the virus from one area of the country to the other. As a result of the program, 12 police care providers have been trained in STI symptom management, and 65 peer educators operate nationally. In the military, 90 individuals have been trained as condom sales agents to expand availability of condoms to this vulnerable population.

Care and Support Services

USAID is funding programs that offer HIV/AIDS care and support services to individuals, families, and communities in 22 countries. These include protection of human rights, access to voluntary counseling and testing, psychosocial support, basic medical and palliative care, treatment and prevention of opportunistic infections (particularly TB), community-based economic support, and support for children affected by AIDS.

e. USAID Objective: "The Threat of Infectious Diseases of Major Public Health Importance Reduced"

The Agency's infectious-disease strategy focuses on four program areas:

- Reduce antimicrobial resistance
- Improve tuberculosis prevention, control, and treatment
- Improve malaria prevention, control, and treatment
- Improve local capacity for surveillance and response

USAID has combined research with global technical leadership and partnerships to advance results at the field level. Our global leadership is indicated by the development and adoption of Global Action Plans for the control of antimicrobial resistance and for TB, as well as by the adoption by the WHO Roll Back Malaria initiative of USAID's basic approach to malaria. These plans will generate increased international attention to these areas and will guide and accelerate coordinated responses from all major international partners.

Examples of USAID Program Results

National achievements across all USAID regions are improving conditions at the local level. For instance, in **Nepal**, infectious disease and antimicrobial surveillance systems have been established. USAID has also developed and launched a new program to track and combat malaria drug resistance along the **Thai-Cambodia** border. Drug resistance is a tremendously important issue for our ability to treat

malaria worldwide, and it has implications for reducing mortality in the Mekong River area and other regions. During 1999, we also established an important cross-disciplinary electronic network that brings together malaria and maternal health experts to share technical information, program developments, and research findings over a wide area. The placental malaria network is providing assistance to programs in **Burkina Faso, Tanzania, Zambia, and Kenya**.

USAID is heavily involved in the effort to reduce the threat of the global tuberculosis epidemic. We are funding the expansion of tuberculosis treatment in **South Africa** by training staff in Directly Observed Treatment, Short-course (DOTS) therapy. DOTS decreases hospitalization and treatment time and returns people to their communities more quickly. At the request of the National Tuberculosis Program, we will expand support to reduce and manage multidrug-resistant tuberculosis. In **India**, USAID has been working in partnership with WHO to support the development of the Model Center for Tuberculosis Control, Training, and Research in Tamil Nadu. This program has been extremely successful in implementing DOTS, conducting demonstrations and training, and strengthening TB control activities in surrounding areas.

Underpinning TB control programs is the need for trained personnel and adequate laboratory equipment. In **El Salvador**, USAID targeted 59 out of the 127 Ministry of Health laboratories across the nation for



improved diagnostic equipment and better supervisory and technical skills of lab personnel. During the second month of TB treatment, 81 percent of the cases in 2000 showed improvements, compared with only 66 percent in 1998.

In **Russia**, USAID is working in collaboration with the Ministry of Health, CDC, WHO, and others to control the tuberculosis epidemic in three pilot areas. In the first region, the program has achieved successful treatment levels of approximately 83 percent, demonstrating that international TB treatment protocols can work in Russia.

USAID collaborated with the government of **Kazakhstan** (GOK) in 1998 to develop the first policy on tuberculosis treatment in the region consistent with the improved World Health Organization (WHO) Directly Observed Treatment, Short-course (DOTS) approach. GOK started DOTS in 21 sites nationwide, and by 1999, 14 of these sites were achieving cures in at least 75 percent of their patients with TB. USAID's substantial work with the GOK also paid off in the decline of TB deaths by 27.6 percent from 1998 to 1999 (38.4 deaths per 100,000 in 1998 to 27.8 in 1999). However, successful treatment of TB is dependent on many factors, including drug quality. USAID's assistance in the tendering process in Kazakhstan resulted in the purchase of high-quality TB drugs for the entire country, thus not wasting money on ineffective drugs and increasing the number of people cured.

In the **Kyrgyz Republic**, USAID also helped create a model surveillance

framework to prevent and control hepatitis. Three sites to verify, report, and track hepatitis cases were established this year. Hepatitis cases are verified in the region's first infectious disease reference laboratory, equipped and opened with USAID support. This laboratory has developed quality control standards (reference panels) for diagnosing the various types of hepatitis. USAID also helped set the official practice guidelines on hepatitis for all health care workers.

f. USAID Initiatives in Health System Strengthening

The biggest challenge facing developing countries is to make optimal use of their scarce resources and to direct those resources in a way that will best meet the needs of the population. USAID Missions have recognized the importance of establishing health systems and strengthening those that already exist in order to build a sustainable capacity for countries to provide health services. The types of changes that are possible depend on the local economic, social, and political context, as well as the human and institutional capacity.

Health system strengthening focuses on improving the financing, management, and delivery of health care services. Over time, the three functions should be integrated for available health care resources to be used most efficiently and effectively. We are pursuing many different strategies to build on whatever opportunities exist. During the past year, we have contributed to important advancements in strengthening health systems, ranging from establishing new financing, provider payment, management, and

delivery systems to providing clinical training and basic quality improvement techniques to health care personnel.

New Provider Payment Systems

Provider payment systems that are based on providing cost-effective services are an important feature in developing a sustainable health care system. In Central Asia, the **Kyrgyz Republic** and **Kazakhstan** are undergoing complete transformations of their health service delivery and financing systems. With USAID technical guidance, physicians were trained to be specialists in primary care, established group practices outside of the polyclinics, and became financially independent. During 1999, 56 percent of these 390 primary health care practices (PHCPs) in the **Kyrgyz Republic** were paid by the Health Insurance Fund under a capitated rate payment system that was designed with USAID assistance. These reforms are leading to a more cost-effective health care system as scarce health care resources are redirected toward the most pressing public health concerns. Providers are using management information systems to understand the impact of the new incentive payment systems and to operate more efficiently.

From 1998 to 1999, the total number of health care providers reimbursed by new payment systems in **Kazakhstan** increased from 134 to 342 in two oblasts. Providers included hospitals, polyclinics, and primary health care practices. In these two oblasts, as a result of attractive new payment methods, the number of newly restructured primary health care practices

(PHCPs) tripled, from 151 to 453. With increased numbers of PHCPs, more families have access to care. In the three largest cities of these oblasts, PHCPs now cover 85 percent of the population. Besides access to care, the types of services available affect the families' quality of health care. The percentage of practices in urban centers that offered expanded services increased from 36 to 71 percent in Zhezkazgan and Satpaeva cities and from 71 to 87 percent in Semipalatinsk. Expanded services included treatment of childhood illnesses, sexually transmitted infections, and reproductive health care.

New Ways to Finance Health Care Services

Initiatives to address the generation of resources to finance health care in the developing world have taken many forms, including prepaid health insurance systems, new drug financing funds, the introduction of user fees, and tax reform. Examples of important achievements during the past year that have the potential to reform the generation and use of host-country health care budgets are described below.

In the **Philippines**, USAID supported the Friendly Care Foundation, Inc. (FCFI) in an effort to boost the private sector's share in providing family planning and maternal health services. FCFI provides financially sustainable, demand driven reproductive health services to middle income patients.

In **Rwanda**, the USAID-financed pilot prepaid health program has enrolled more than 67,000 subscribers since August 1999, with 17,000 enrolling during February 2000 alone. The

program is now progressing rapidly with new subscribers. The Ministry of Health (MoH) is very committed to expanding this program nationwide and is working with USAID to develop an effective strategy for expansion.

In **Senegal**, results from a pilot program in health financing have been very positive in identifying innovative mechanisms for increasing community ownership of all health activities. In 1999, local contributions in the form of tax revenues represented 8.7 percent of the operating budgets at the health district level. In fact, the actual contribution of local tax revenues increased by 39 percent from 1998 to 1999. This significant increase is a direct outcome of the pilot program and is consistent with requirements of new decentralization laws.

In **Romania**, the Ministry of Health has decided to employ the USAID-funded hospital cost-containment model nationwide. The model, a diagnosis-related group (DRG) system, promotes efficient management of hospital resources, the largest component of the health care budget.

USAID support resulted in the publication of *Guidelines for Achieving Equity: Ensuring Access of the Poor to Health Services Under User Fee Systems*. This cutting-edge guidebook, based on case studies in five countries, gives practical guidelines for setting equitable user-fee exemption systems for the poor.

It was distributed throughout **Africa**, and **Guinea** and **Mali** are now testing innovative equity strategies. The government of **Kenya's** cost-sharing

program, assisted by USAID, generated \$10 million, up 15 percent from FY 1998, and exceeded its target.

In **Ethiopia**, the national budget allocated to the health sector in 1999 nearly met its target and was maintained at the same level as FY 1998 in spite of the major increase in defense spending to support the conflict with Eritrea. The government has raised the level of public resources allocated to primary and preventive health care by an annual average of 11 percent during the past three years.

Under the program established by the district health teams in **Malawi**, more than 400 communities (more than double the targeted number of 200) are now administering drug-revolving funds that ensure an immediate supply of malaria medications and oral rehydration salts to children living in rural villages.

In **Guatemala**, about 3.5 million inhabitants that did not have access to health care services in 1996 are now served under a new model based on public-private partnerships whereby the MoH regulates the systems and provides financial resources and supplies and NGOs provide the human capital and local expertise.

Improving Management Skills

The government of **Albania** is aware of the urgent need to revitalize and modernize its health care system, but lacks resources and has been slow to act. Working with USAID advisors, key health care administrators are acquiring the knowledge and skills



needed to manage their scarce resources more efficiently and effectively at the central level (the Ministry of Health) and at the district, hospital and polyclinic levels. Durres Hospital and University Hospital Center of Tirana have implemented techniques to improve hospital operations, which are beginning to serve as models for the rest of the hospital system.

Under the Communist system, there was an inappropriate allocation of resources. The number of hospital beds is now being reduced to reflect the shift toward a more responsive primary health care system. At Durres Hospital, where the main building collapsed in 1995, a strategic planning process has matched available resources with a long-range plan for a replacement hospital. At the University Hospital Center, administrative and medical records were computerized. In both hospitals, pharmaceutical and medical supply purchasing and distribution have been computerized. Several national conferences have been held to share the information and management techniques developed at the pilot hospitals with more than 80 hospital managers and administrators from all over Albania.

Quality Improvement

In **Rwanda**, an effort that has won customer appreciation for USAID is the quality assurance initiative, which has succeeded in improving the organizational approach to service quality at the Central Kigali Hospital and smaller health centers. Plans are underway for the MoH to replicate this success by institutionalizing the quality improvement approach and applying

it to other health centers and hospitals in Rwanda in FY 2000.

The quality of services in **South Africa** improved in 1999, with significant gains in the availability of the seven essential drugs (from 43 percent in 1998 to 91 percent in 1999). Management of critical health conditions also improved, as evidenced by the increase in the management of STDs from 56 percent to 70 percent.

A greater proportion of trained health staff in **Uganda** performed to standard (80 percent in 1999, compared with 66 percent in 1998), indicating an increase in technical competence and provision of quality services, as well as improved interpersonal relations and counseling of clients.

In **Tajikistan**, a Family Medicine Training Center opened in 1999, the result of a primary health care skills building program developed by U.S. and Tajik partners. Other programs in Tajikistan have improved access to basic health services for 260,000 people and established 62 village health committees covering approximately 85,000 beneficiaries. A revolving pharmaceutical fund established with USAID support has enabled 17,000 patients to purchase or receive needed medications.

In one region of **Russia**, more than half of adult deaths were related to cardiovascular disease. More than 89 percent of the hypertension patients in the pilot sites are now managing their disease themselves, according to international treatment protocols. As a result, hypertensive crises have dropped 57 percent, and

hospitalizations from such crises have been reduced an impressive 92.5 percent.

Building Skills of Nurses

Albanian nurses from across the country met with other nurses from throughout Central Europe and the former Soviet Union and returned home to establish an Albanian nursing association. This association will help the MoH to establish national standards for nursing accreditation. As part of the USAID program, nurses are now receiving in-service training opportunities to improve their skills and enhance their status in the health care system.

USAID is continuing to provide limited support to three Nursing Learning Resource Centers (NLRCs) in **Central Asia**. These centers serve as important sources of information and education for nurses. Also, nurses from **Tajikistan** are now participating in the Central Asian Nursing Council, an organization inspired by a U.S.–Central Asia health partnership program.

Using the Internet

A small, but high-impact USAID activity in **Ukraine** has been the establishment of 12 Learning Resource Centers. They provide Internet linkages to medical on-line sites. One of these centers, Odessa Oblast Hospital, was named one of the top-20-visited Russian language medical sites. Such connectivity to worldwide medical literature opens up new avenues of communication and moves the concept of transparency forward.

Information Technology

In **East** and **South Africa**, the number

of databases in priority development areas increased to 32 in 1999, exceeding the program target of 29. A database of more than a thousand network members was established at the new Regional Center for Quality of Health Care at Makerere University, **Uganda**, to facilitate dissemination of information and support fundraising efforts for the Center's consulting needs.

Manage the Environment for Long-term Sustainability (ENV)

This section discusses the performance of the ENV objectives of USAID's operating units as of September 30, 1999, drawing on the self-assessments of these units. It provides examples of results achieved through USAID efforts undertaken around the globe and discusses operating unit objectives that failed to meet expectations.

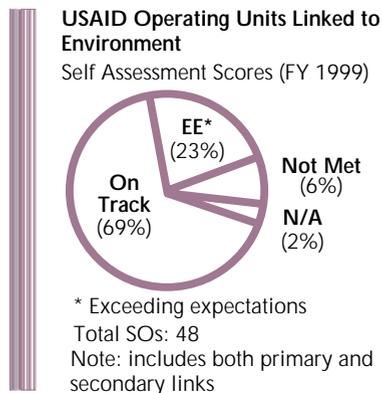
Program Objectives/Approaches

USAID seeks to protect the environment for long-term sustainability around the world through programs directed at five broad objectives:

- The threat of global climate change reduced
- Biological diversity conserved
- Sustainable management of urbanization, including pollution management improved
- Proportion of environmentally sound energy services increased
- Sustainability of natural resources management increased

Self-Assessment of Performance by Missions and Other Operating Units

The Global and **E&E** bureaus have met 100 percent of their objectives. The **LAC** and **ANE** bureaus have made similar progress, meeting 96



percent (23 out of 24 primary or secondary coded environmental objectives). Finally, the **Africa** bureau has met 89 percent of its objectives (8 out of 9 primary or secondary coded environmental objectives). The overall Agency environmental performance total for FY 1999 is 92 percent, or 44 out of 48 primary and secondary coded environmental objectives met or exceeded expectations.

a. USAID Objective: "Biological Diversity Conserved"

USAID pioneered and now supports one of the most comprehensive biodiversity conservation programs of any bilateral donor. The Agency has contributed to safeguarding biological diversity through 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.

Examples of USAID Program Results

In FY 1999, the Agency launched the

\$33 million Global Conservation Program. Jointly funded by USAID and leading private conservation organizations, this program addressed threats to 18 biologically rich sites around the world, notably the Himalayas of **Nepal**, the Amboseli-Kilimanjaro region of **East Africa**, the Amazon, the Bering Sea, and the forests of the Lower Mekong River. This new program represents an innovative partnership with organizations such as the World Wildlife Fund, The Nature Conservancy, and Conservation International. Once the program matures to the point where it can produce results, it will be measured against already established baselines.

In **Botswana**, USAID's efforts over many years to promote community-based natural resource management (CBNRM) are bearing fruit. Africa's largest herd of elephants is found in the Chobe Enclave and the surrounding Chobe National Park in Botswana. Communities surrounding the park had been until recently only bearing the costs of living so close to wildlife without reaping any monetary benefits. In 1989, the government of Botswana chose this area as a pilot project for USAID. With support from USAID, the Chobe Enclave Conservation Trust (CECT), comprising five surrounding villages, was established to manage the area. In 1999, the CECT partnered with a safari firm to enable local communities to profit from the conservation of the area's biodiversity. Between 1999 and 2004, the CECT share of revenue generated from safari activities will be about US\$1 million. The CECT will then use these finances to fund village infrastructure and fledgling



businesses. This CBNRM program thus provides local communities an important incentive to conserve their rich biodiversity.

Peru and USAID established a \$24 million fund under the Americas' Fund to support conservation, preservation, and protection-type activities. USAID support has stimulated adoption of an array of environment and natural resource institutional and policy-related laws, regulations, and procedures. This has resulted in a policy shift away from traditional mitigation strategy to one where industrial pollution is reduced at the source. Also, Peru has increased the amount of protected natural areas to 17.9 hectares, which is approximately equivalent to 14 percent of the national territory.

Program(s) Failing to Meet Expectations

In **Zimbabwe**, USAID has supported the Communal Areas Management Program for Indigenous Resources (CAMPFIRE) since 1989. FY 1999 targets for this program were not met because of unexpected losses of key staff. CAMPFIRE was 12 percent short of its revenue target of US\$2,200,000. The Agency is aware that staff retention can be a problem for any program and makes every effort to plan accordingly. Generating income for local communities, predominantly through fees from sport hunting, is a key component of the program. The cumulative total generated during the past decade is more than US\$13 million. Half of this total has been channeled into local communities as

cash dividends to households or for community development projects. Wildlife population surveys indicate that key indicator species such as water buffalo and elephant populations have remained stable or increased. However, the Agency is aware of the need to review activities such as CAMPFIRE's in the light of increased poaching and habitat management challenges in some areas of Zimbabwe.²

b. USAID Objective: "The Threat of Global Climate Change Reduced"

USAID's \$1 billion Climate Change Initiative: 1998–2002 expands the Agency's efforts to help USAID-assisted countries 1) reduce net greenhouse gas emissions, 2) reduce vulnerability to the threats posed by climate change impacts, and 3) increase participation in the United Nations Framework Convention on Climate Change. Agency activities in facilitating environmentally benign energy services and its forestry and land use activities also contribute to the goals of the Initiative.

Examples of USAID Program Results

One of the major components of the Agency's Climate Change Initiative is its involvement in Technology Cooperation Agreement Pilot Project (TCAPP)—an interagency program with the Department of Energy and the Environmental Protection Agency. Designed to assist the United States in meeting its obligations under the United Nations Framework Convention on Climate Change (UNFCCC), TCAPP facilitates international investment in clean

energy technologies. In FY 1999, TCAPP implemented 10 major investment activities and events worldwide, including business matching programs, private-sector solicitations, policy reform actions, prefeasibility studies, and donor meetings. One notable program in FY 1999 helped develop regional technology priorities for the Southern African Development Community.

The Agency's work in **Ukraine** exemplifies its efforts to increase participation in key climate change negotiations. Through its Climate Change Initiative, the Agency provided technical assistance to help the formation of an Inter-Ministerial Committee for the Implementation of the UNFCCC and the timely submission of Ukraine's National Communication to the UNFCCC Secretariat. Ukraine's election to the Vice Presidency of the Conference of Parties confirms Ukraine's active participation in the international response to global climate change.

In the **Philippines**, the Agency's global climate change strategy is to mitigate greenhouse gas (GHG) emissions from the power sector by expanding the use of clean fuels and promoting more efficient electricity generation, distribution, and consumption. The goal is to avoid the release of some 20 million metric tons of carbon dioxide (CO₂)-equivalents into the atmosphere by 2002 while maintaining energy production. By promoting a cleaner fossil fuel (natural gas) as an alternative to coal, this reduction in CO₂-equivalents will be achieved in

² The World Wildlife Fund (WWF) issued a warning of poaching increases of many kinds of wildlife, including elephants, and rhinos ensnared by accident. According to WWF, this poaching was linked to armed groups involved in land seizures.



2002 when the natural gas-fired power plants become operational.³

Program(s) Failing to Meet Expectations

According to the self-assessments conducted by Missions and other operating units, all programs met or exceeded performance expectations.

c. USAID Objective: "Sustainable Management of Urbanization, Including Pollution Management, Promoted"

USAID works with cities around the world to improve the living conditions of the urban poor and to protect the environment through reducing pollution, saving energy, and improving waste management. The Agency also works directly with municipalities to enhance their ability to deliver environmental services. Promoting partnerships with the private sector to reduce pollution and manage waste treatment is another important component of USAID's approach in cities.

Examples of USAID Program Results

Working through its Regional Urban Development Offices (RUDOs), the Agency reached 150 municipalities and national associations of municipalities during FY 1999. In **Indonesia**, for example, the focus was on "twinning" the goal of delivering environmental services with job creation. Approximately 1,700 labor-intensive infrastructure projects were developed. In cooperation with the World Bank, 50 million person-days of work are

expected to be generated in East and West Java, which will both employ locals and provide much needed improvements in access to water, shelter, and sewage facilities. In **Morocco**, Agency efforts to strengthen local government and help it become more responsive to environmental problems made demonstrable progress. Local government officials met the need for wastewater treatment in the Al-Attaouia region through the construction of a cutting-edge treatment plant. The 15,000 residents of this region will no longer suffer the health, aesthetic, and environmental effects of the release of untreated wastewater in their neighborhoods.

Using the new Development Credit Authority (DCA) for the Agency's urban lending effort has led to impressive accomplishments in FY 1999. In **South Africa**, 22,000 previously neglected households were provided with access to basic services. In **Poland**, a recently completed eight-year program generated a hundred thousand homeownership loans from 20 commercial banks. PROMUNI, a municipal infrastructure finance program in **Central America**, also recently came to an end, having helped 867,490 families through improved infrastructure. These efforts improved the access to clean sanitation and water and the environment of the communities.

Program(s) Failing to Meet Expectations

In some cases, factors beyond the Agency's control can hamper meeting activity goals. In Ecuador, for example, USAID helped create and worked through an NGO, Oikos, to improve the capacity of selected public and private institutions to prevent pollution. However, many industrial firms went out of business during Ecuador's serious political and economic crisis. This prevented the program from meeting all its goals. No major adjustments will be made to the activity at this point, because it ended in September 2000. The primary focus now will be to ensure the sustainability of past efforts. Oikos should be well placed to continue its work beyond USAID support once the crisis in Ecuador ends, because it has been able to attract funding from other donors.

d. USAID Objective: "Use of Environmentally Sound Energy Services Increased"

USAID energy programs assist countries by 1) promoting energy-sector reform, 2) establishing free market policies, 3) instituting improved energy standards, and 4) strengthening institutions that enhance energy development through private-sector participation. In addition, USAID provides training and technical assistance to encourage legal and regulatory reform, institutional development, and private investment in energy infrastructure.

³ A variety of gases (termed greenhouse gases) contribute to global climate change, with the most prevalent one, carbon dioxide, produced primarily by the combustion of fossil fuels. Each greenhouse gas contributes to climate change to a different extent. CO₂-equivalents are used as a common measure of the climate change potential of these gases relative to that of CO₂. Natural gas gives off only one half as much carbon dioxide (CO₂) per unit of energy produced as does coal and is made up predominantly of methane (CH₄), which itself is a greenhouse gas if it is released into the atmosphere.



Examples of USAID Program Results

In **Ghana**, the Agency secured a \$1.5 million grant from the Africa Trade and Investment Program in FY 1999 to assist the Economic Community of West African States (ECOWAS) to develop training and technical assistance for the West African Gas Pipeline Project—a \$1.8 billion U.S. public-private venture currently in development. This assistance has improved the capacity of energy officials in **Nigeria, Togo, Benin, and Ghana** to negotiate a commercially developed and managed project with private-sector pipeline partners. Expected benefits include greater availability of natural gas to meet **West Africa's** regional energy needs, better access to electricity, and a 10 percent reduction in greenhouse gas emissions from the flaring of natural gas in Nigerian oil fields.

Program(s) Failing to Meet Expectations

In **Egypt**, the Agency is working to increase the number of vehicles using compressed natural gas (CNG) as a fuel, thus reducing automobile air pollution. Although ambitious 1999 targets for CNG conversion were not met, the current rate of conversion, facilitated through the import incentives of the U.S. Commodity Import Program, suggests that FY 2000 targets will be reached.

e. USAID Objective: "Sustainable Management of Natural Resources Increased"

The Agency's natural resource programs include 1) improved management of coastal zones, forests, and water resources; 2) increased use of sustainable agricultural practices; 3) enhanced public and community awareness of

natural resource sustainability issues; and 4) improved policy environment and use of economic and financial incentives.

Examples of USAID Program Results

In FY 1999, an additional 12 million hectares, primarily in **Latin America** and **Indonesia**, were brought under improved management through Agency efforts. More specifically, the coastal zone of an entire province in **Indonesia**, 19 new community forest districts in **Nepal**, and a large expanse of the Pantanal wetlands in **Bolivia** were added in FY 1999.

In **Nepal**, working with the government and groups of farmers in FY 1999, USAID facilitated the transfer of irrigation management to water users associations (WUAs) composed of farmers. The West Gandak Irrigation System WUA saw its budget, generated through irrigation service fees, increase an astounding 56-fold over three years. The improved irrigation has led to increased farmer incomes from crop production and other home activities promoted by USAID, such as kitchen gardens. Replicability of this project is expected over much of Nepal's terai region, as 68,000 hectares of government-managed irrigated systems are being transferred to private farmers' groups during the next few years.

Mapping traditional lands and monitoring their resource use is a relatively recent practice. It is seen as an effective tool to institute participatory decision making within the community and raise awareness of environmental threats and ways to conserve resources. For example, in **Indonesia**, villagers used information generated by a recent mapping

exercise to expel a logging concession from community-owned lands. Similarly, in another village, citizens prevented the entry of an oil palm plantation into their ancestral lands.

Another USAID approach involves raising community awareness of environmental issues through the use of the mass media. In **Egypt**, for example, the Agency disseminated information on environmental issues, using print, television, and radio, reaching approximately 32.9 million persons, twice as many persons in FY 1999 as in the previous year.

In **Peru**, through USAID-funded technical assistance, viable and environmentally sound economic alternatives to coca farming are being developed. Already, there are more than 8,000 participating Andean coffee farmers who receive a premium price in return for quality beans and other crops destined for the U.S. and Lima markets. As a result of the removal of key constraints to on-farm production, USAID is now expanding into "hard core" coca-producing areas, helping to reduce the supply of cocaine destined for the United States.

Program(s) Failing to Meet Expectations

According to the self-assessments conducted by Missions and other operating units, all programs met or exceeded performance expectations.

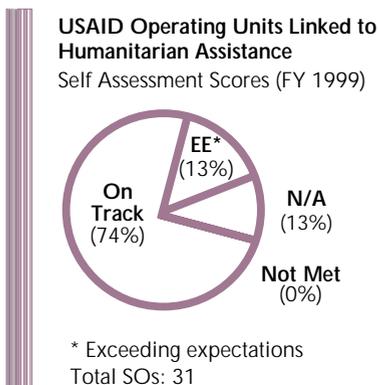
Promote Humanitarian Assistance (HA)

This section discusses the performance of USAID programs under the Humanitarian Assistance goal, drawing on the self-assessments

of performance by missions and other operating units. It highlights the two Humanitarian Assistance objectives and describes the approaches the Agency uses to accomplish these objectives. It provides examples of results achieved through USAID efforts undertaken around the globe and reveals plans for further progress.

Program Objectives/Approaches

USAID provides humanitarian assistance to millions of people around the world. The Agency supports humanitarian assistance through programs directed at two broad objectives:



- Urgent needs in times of crisis met
- Personal security and basic institutions to meet critical intermediate needs and protect human rights reestablished

The number of USAID operating units (excludes Bureau for Humanitarian Response) with strategic objectives that supported the humanitarian assistance goal and objectives increased from 20 the previous year to 24. The largest increase was in **Latin America and the Caribbean** (from 1 to 8)—largely because of Hurricanes Mitch, Georges, Lenny, and Floyd.

Self-Assessment of Performance by Missions and Other Operating Units

All Missions and other operating units reported meeting expectations.

a. USAID Objective: “Urgent Needs in Times of Crisis Met” (Relief Assistance)

USAID provides humanitarian assistance in response to three types of situations: natural disasters, man-made disasters, and complex emergencies. Natural disasters are caused by physical hazards such as fire, flood, drought, earthquake, and disease outbreak. Man-made disasters are caused by human error, 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, displaced populations, hunger, and death.

FY 1999 was a year of unprecedented crises that dramatically increased relief assistance. The Bureau for Humanitarian Response's Office of U.S. Foreign Disaster Assistance (OFDA) responded to 65 declared disasters in more than 63 countries. These included 17 complex emergencies, 41 natural disasters, and 7 man-made disasters. OFDA obligated more than \$294 million to respond to these disasters, compared with \$186 million in FY 1998 in response to 87 disasters. OFDA provided a wide range of emergency assistance that included search-and-rescue operations; emergency health and medical services; therapeutic and supplemental feeding for the malnourished; and provision of potable water, sanitation facilities, shelter, clothing, and survival kits. A

most significant accomplishment in recent years, and in particular in FY 1999, was the effective application of prevention, mitigation, and preparedness interventions with relief activities. Disaster response and operations are closely coordinated with other U.S. agencies, including the Departments of Defense and Agriculture, the U.S. Geological Survey (USGS), the Centers for Disease Control and Prevention (CDC), the U.S. Public Health Service, and the National Oceanic and Atmospheric Administration (NOAA).

Public Law 480 (P.L. 480) Title II emergency food aid is managed by the Bureau for Humanitarian Response's Office of Food for Peace in coordination with USDA, regional bureaus, and Missions. USAID provides the majority of U.S. food assistance used to respond to emergencies and disasters. In FY 1999, USAID provided 792,116 metric tons of emergency food aid, valued at more than \$513 million, to more than 30 countries. USAID programs implemented primarily by U.S. PVOs and the World Food Programme (WFP) reached at least 16 million beneficiaries, the majority of which were in **Africa**. USAID also provided food aid for an additional 10 million beneficiaries through bilateral assistance programs to **Ethiopia** and **Rwanda** and to the World Food Programme's global Protracted Relief and Recovery Operations.

In the **Latin America and Caribbean** region, major hurricanes devastated **Central America** (Hurricane Mitch) and the **Caribbean** (Hurricane Georges) during September and



October 1998. The region suffered approximately \$10 billion in damages. USAID provided emergency food aid, shelter, water, sanitation, and health services to millions of people. The timeliness and scope of activities were critical in saving lives, reducing human suffering, and preventing civil unrest and widespread outbreaks of diseases. In **Honduras** and **Nicaragua**, USAID's role was critical in facilitating U.S. military participation in search-and-rescue activities, rapid assessments, and delivery of relief commodities to areas cut off from major transportation routes. There was no major disease outbreak. This is evidence of the effectiveness of preventive health measures and swift action to restore water and sanitation to affected areas.

In the aftermath of Mitch, USAID swiftly authorized the use of Title II development food commodities already in-country. Airlifted food already prepositioned in U.S. ports arrived within a week after the hurricane. Through U.S. PVOs and WFP, USAID distributed 132,700 metric tons of emergency food aid (valued at more than \$81 million) to 2.3 million beneficiaries, representing 94 percent of targeted beneficiaries. As a result, their nutritional status was maintained or improved. Beneficiaries identified food-for-work programs as critical for rebuilding their communities. These programs rehabilitated more than 13,108 kilometers of road and repaired more than 26,608 houses.

In addition, Congress approved \$621 million in supplemental funding for the **LAC** region. USAID implements

more than \$100 million of this funding with the specific U.S. government agencies identified in the Supplemental. It chairs sector working groups, established under the umbrella of the White House Interagency Working Group. As the lead agency in disaster relief and mitigation, USAID provided the initial leadership and guidance to develop complementary work plans across implementing organizations. This set the stage for a well-coordinated U.S. government reconstruction effort, working with numerous government municipalities and nongovernmental and community-based organizations. USAID initiated activities aimed at restoring economic and social indices to prehurricane levels. Programs are restoring basic necessities that will mitigate health risks, restore shelter and food-supply levels, reactivate economic activities, and improve disaster mitigation. The focus of programs is on disaster preparedness and reconstruction, public health, economic reactivation, education, and housing. The standard is to "build back better."

In the **Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, and Nicaragua**, USAID is rebuilding homes, recovering agricultural productivity, and strengthening national- and community-level disaster preparedness. For example, in the **Dominican Republic**, the recovery phase met the immediate needs of more than 400,000 poor Dominicans in the most severely affected areas. This was accomplished by the effective reprogramming of existing Mission funds and coordination with other funds such as Child Survival, P.L. 480, Section 416(b), and

international disaster assistance funds. USAID collaborated on an innovative \$15 million small-scale farmer recovery program with the sale of donated wheat, constructed 3,000 temporary shelter units for 46,500 people, and repaired 32 water systems for 17,500 individuals.

Besides responding to hurricanes in the Latin American and Caribbean region, USAID also assisted countries affected by natural disasters in other parts of the world. These include earthquakes (**Afghanistan, Colombia, Greece, India, Taiwan, Tajikistan, and Turkey**), floods (**Cambodia, Chad, China, The Gambia, Honduras, Hungary, Mali, Mauritania, Mozambique, Philippines, Republic of Korea, Thailand, and Vietnam**), volcano (**Cameroon**), and drought (**Ethiopia**).

In the **Europe and Eurasia** region, the crisis in the Balkans was the most complex emergency in FY 1999. In spring 1999, 700,000 Albanian Kosovars were forced to cross the borders into **Albania, Macedonia, and the Federal Republic of Yugoslavia Republic of Montenegro**. USAID response teams provided emergency food rations, tents, blankets, plastic sheeting, hygiene kits, and water jugs when other pipelines did not exist. These activities saved the lives and reduced the suffering of thousands of people. The shelter program, initiated in fall and winter 1999, housed more than 290,000 people. USAID funded more than 50 percent of the agriculture rehabilitation effort, revitalizing the livelihoods of more than 70,000 families. It provided more than 80,090 metric tons of Title II emergency food commodities that benefited 2 million people. The

Refugee Nutrition Information System (RNIS) of the UN reported that “overall, the international community was successful in preventing acute malnutrition among the Kosovar refugees.”

In addition to the catastrophes described above, USAID continued to respond to protracted complex emergencies in **sub-Saharan Africa (Angola, Burundi, Liberia, Sierra Leone, Sudan, and Uganda)** and in **Asia and the Near East (Indonesia)**—which will be reported on next year. As predicted in the previous year, complex emergencies involving civil conflict continued to consume significant resources.

The relief objective integrates approaches to strengthening capacity of institutions to conduct early warning, disaster preparedness, and mitigation. These efforts help predict and lessen the impact of disasters and improve countries’ ability to cope with crises through training of national and local governments and community-based organizations. The Famine Early Warning System (FEWS), operational in 17 countries in **Africa**, contributes to drought and disaster preparedness by improving the quality and effectiveness of information and response systems. Information is produced in a timely manner and used extensively by donors and governments to support target interventions that help to avert large-scale emergency food distribution. For example, FEWS promoted a consensus to the rise in food insecurity in **Ethiopia** and helped avert large-scale emergency food distribution in **Kenya**. It helped build consensus on the need to improve food aid targeting in **East Africa**.

Program(s) Failing to Meet Expectations

According to the self-assessments conducted by Missions and other operating units, all programs met performance expectations.

b. USAID Objective: “Personal Security and Basic Institutions to Meet Critical Intermediate Needs and Protect Human Rights Reestablished” (Transition Assistance)

Postconflict transitions are manifested in armed conflict, large-scale human rights abuses, and destroyed infrastructure such as the institutions of governance. Interventions link short-term responses addressing immediate postconflict rehabilitation needs to longer-term sustainable development approaches. Community impact is an essential element of all transition approaches. Transition activities create or support participatory mechanisms to address community needs in conflict-prone areas. This fosters decision making at the grassroots level on priority issues in rehabilitation, recovery, and reintegration. Focus on community-level participation improves long-term prospects for peace and strengthens government delivery of municipal services. USAID included community impact activities in most transition country strategies.

During FY 1999, USAID provided transition assistance to 29 countries. The Bureau for Humanitarian Response’s Office of Transition Initiatives (OTI) responded to 18 complex emergencies and implemented nonemergency transitions in 12 other countries. Of these, **Indonesia, Nigeria, and Kosovo** consumed 60 percent of

OTI’s resources. In FY 1999, USAID obligated more than \$37 million in response to these transitions (compared with \$15.7 million in FY 1998).

Programs in transition countries were increasingly integrated into USAID Mission strategic frameworks following Agency guidance on strategic planning. Thus transition activities were increasingly linked to both longer-term development plans and to the Mission Program Plans coordinated by the Embassy.

Devastating natural disasters and continued conflict in transition countries in **Latin America and the Caribbean** undermined progress toward sustainable development and threatened democratic gains. USAID responded to these deteriorating conditions through peace building, conflict resolution, and the promotion of democracy at the local level. USAID’s transition program in **Guatemala** reduced and mitigated conflict in target communities. Training in conflict management of newly elected mayors and key staff helped their relationship with local communities and facilitated dialogue on policies affecting their municipalities. Efforts in conflict mediation and community-led development activities reached 6,396 families. In **Haiti**, community-level efforts reshaped public- and private-sector relationships to improve community services in education and health. For example, community mobilization efforts resulted in democratically elected PTA organizations that met several times a year in 52 percent of the 788 USAID-supported schools. The increased involvement of parents



and teachers improved attendance and made schools focal points of the community.

In **sub-Saharan Africa**, USAID's program results were tempered by having to work in difficult and deteriorating conditions. Increases in the number of refugees and IDPs, in conjunction with stalled democratic progress in many transition countries, complicated humanitarian and development responses. Despite this, USAID and its partners implemented and managed programs that achieved positive and meaningful results in moving from relief toward development assistance, conflict resolution, crisis mitigation, and democracy building.

Despite the conflicts and increased insecurity in **Angola**, USAID met many of its targets. Thirty-four communities established Community Development Committees to rehabilitate war-affected populations. More than 350,000 children and 355,000 women received assistance. In three provinces, USAID trained 480 community health workers to provide and improve prenatal care of 47 percent of women registered in the refugee camps. USAID assisted 650,000 people through programs that rehabilitated or opened 74 schools, 5 grinding mills, 4 major markets, 168 latrines, 415 kilometers of roads, 81 bridges, 490 kilometers of irrigation canals, and sources of potable water.

In the **Democratic Republic of the Congo**, USAID helped maintain stability in a few areas under extreme economic and political duress. Programs emphasized building a well-informed and vibrant

peace-building network involving dozens of nongovernmental organizations, communities, and local governments. This network helped solve national, provincial, and community problems through participatory processes. Forty-nine local activities improved rural transportation systems, clinics, and markets. USAID strengthened local capacity by providing 750 extension workers with a training package to promote democracy, good governance, and peace.

USAID targeted communities in **Rwanda** to strengthen links between relief and development and to build local capacities for peace. USAID trained 15,000 newly elected officials in 30 communes to manage local, small-scale development projects and provided grants and technical assistance to women's associations in agriculture and livestock raising. In FY 1999, USAID transitioned several relief-oriented activities into longer-term development programs.

Financial crisis—in combination with natural disasters, conflict, and unconsolidated peace processes—in transition countries in **Asia and the Near East** created opportunities for democratic progress and movement toward sustainable development. USAID programming in the region responded to these opportunities through the promotion of democracy, economic growth, and conflict resolution at the local level.

In **Lebanon**, the Rural Community Development aided the transition process by returning rural communities to economic and social viability. Local citizen committees

selected and implemented projects and contributed at least 25 percent of the cost. This program involved 251 rural communities and 600,000 people in basic infrastructure, income-generation, civic participation, and environmental activities. The program reacts quickly to new transition opportunities in the country. For example, within two weeks of the withdrawal from occupied areas in the South, USAID helped local communities initiate 65 new activities.

Indonesia continued its democratic transition by holding legislative and national elections. New electoral laws permitted the formation of new parties and reduced the military's legislative representation. Citizen confidence was achieved with the organization of an international observation Mission (managed under USAID mechanisms) and issuance of impartial reports on the process. USAID supported local preelection voter education coverage, grassroots political education, public service announcements reaching 130 million citizens, and training for newly elected government officials and journalists. Broader sections of the public, particularly women, were represented through direct citizen involvement and NGO activities. USAID supported a program that enabled 800 subdistricts to voice their opinions for the first time. Community priorities are now incorporated in the decision-making process. Despite positive movement toward democracy and governance, however, increased insecurity continues to threaten the transition process in Indonesia.

International conflict and internal



civil strife in the Balkans and the rest of Tajikistan continued in 1999. In Bosnia/Herzegovina, Croatia, Kosovo, and Tajikistan, USAID responded to resulting humanitarian crises with programs that provided short-term relief and promoted economic growth and democracy at the community level.

USAID programs in **Azerbaijan** fostered self-sustaining, community-based solutions to meet the needs of people. Through small-scale income generation projects, assistance to communities helped mobilize local efforts and resources for business development and job creation, benefiting more than 35,000 individuals.

In **Bosnia/Herzegovina**, USAID's programs have encouraged refugee returns and provided incentives for returnees to stay. Partnered with U.S.-SFOR troops and local governments, USAID helped to restore community infrastructure and create short-term employment opportunities. For instance, 9,500 short-term jobs were created in 1999, and 17,000 people were permanently employed through work in reconstructed facilities. More than 18,500 children attend reconstructed schools, and repaired power systems are serving 25 percent of Bosnia's population.

In **Croatia**, USAID helped with increased integration of Serbian minorities into communities in Eastern Slavonia. For instance, USAID-sponsored Serb-language radio broadcasts paved the way for increased security within communities by bringing together different ethnic groups and promoted

official acceptance of Serb presence in Eastern Slavonia. Also, USAID increased by 25 percent its assistance to clients in dealing with legal matters related to return and fielded election monitors for each of three elections.

In **Kosovo**, USAID supported programs that improved coverage of Kosovar issues in the Federal Republic of Yugoslavia by fielding journalists from Serbia and Montenegro. USAID grants strengthened linkages between refugee camps and host communities in Montenegro, helped engage local communities in Kosovo in identifying and prioritizing community improvement needs, and helped with election/civil registration activity immediately following the cessation of the Kosovo conflict.

USAID supported peace and reconciliation in **Tajikistan** through transition programs, such as the Tajikistan Social Investment Fund, that mobilize communities to help themselves on long-term development issues and income generation. More than 200,000 Tajik citizens benefited from USAID assistance in 1999.

Program(s) Failing to Meet Expectations

According to the self-assessments conducted by Missions and other operating units, all programs met performance expectations.



