USAID
FROM THE AMERICAN PEOPLE

USAID PRIMER:
WHAT WE DO AND HOW WE DO IT

March 2005

Cover photos
Left: A woman sells tomatoes in a Sudanese market (Joanne Giordano, USAID).
Right: U.S. Navy personnel load a helicopter with relief supplies in Indonesia (AP/World Wide Photos).

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INTRODUCTION AND PURPOSE

The purpose of this primer is to explain the internal doctrines, strategies, operational procedures, structure, and program mechanisms of the U.S. Agency for International Development (USAID). The primer has been prepared primarily for employees of other federal agencies such as the departments of State and Defense, partner organizations, congressional staff, and new USAID employees.

USAID plays a vital role in promoting U.S. national security, foreign policy, and the War on Terrorism. It does so by addressing poverty fueled by lack of economic opportunity, one of the root causes of violence today. As stated in the President's National Security Strategy, USAID's work in development joins diplomacy and defense as one of three key pieces of the nation's foreign policy apparatus. USAID promotes peace and stability by fostering economic growth, protecting human health, providing emergency humanitarian assistance, and enhancing democracy in developing countries. These efforts to improve the lives of millions of people worldwide represent U.S. values and advance U.S. interests for peace and prosperity.

USAID provides assistance in sub-Saharan Africa, Asia and the Near East, Latin America and the Caribbean, and Europe and Eurasia. With headquarters in Washington, D.C., USAID's strength is its field offices in many regions of the world. The agency works in 100 developing countries and in close partnership with private voluntary organizations, indigenous groups, universities, American businesses, international organizations, other governments, trade and professional associations, faith-based organizations, and other U.S. government agencies. USAID has working relationships, through contracts and grant agreements, with more than 3,500 companies and over 300 U.S.-based private voluntary organizations.

Barbara Zadina, Chemonics International

Members of Oodi Weavers, a women's cooperative in Botswana. USAID fosters micro-enterprises to expand economic opportunities and reduce poverty in the developing world.

The types of assistance USAID provides include

- technical assistance and capacity building
- training and scholarships
- food aid and disaster relief
- infrastructure construction
- small-enterprise loans
- budget support
- enterprise funds
- credit guarantees

We hope you find the information in this primer useful. For additional information, visit USAID's website at www.usaid.gov.

STATEMENT FROM THE ADMINISTRATOR

New international challenges that now face the United States have prompted the most thorough reassessment of the country's development mission since the end of World War II. As part of this reassessment, USAID has embraced five core goals:[1]

- supporting transformational development
- strengthening fragile states
- supporting U.S. geostrategic interests
- addressing transnational problems
- providing humanitarian relief

Each of these goals is vitally relevant to combating terrorism and strengthening American security at home and abroad.

Supporting Transformational Development

In the developing world, USAID supports far-reaching, fundamental changes in institutions of governance, human services such as health and education, and economic growth. Through the agency's assistance, capacity is built for a country to sustain its own progress. While these efforts have long been justified in terms of U.S. generosity, they are not always appreciated as investments in a stable, secure, interdependent world.

Strengthening Fragile States

The President's National Security Strategy wisely recognizes the growing global risks of failing states: "The events of September 11, 2001, taught us that weak states…can pose as great a danger to our national interests as strong states…. Poverty, weak institutions, and corruption can weaken states vulnerable to terrorist networks and drug cartels within their borders." The failure of states such as Afghanistan, Lebanon, Bosnia, Somalia, and Liberia had repercussions far beyond their own regions. USAID is dealing with the consequences today. There is, perhaps, no more urgent matter—and no more difficult and intractable set of problems—facing USAID's portfolio than fragile states.

Supporting U.S. Geostrategic Interests

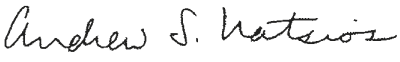
Aid is a potent leveraging instrument for keeping countries allied with U.S. policy while they win their own battles against terrorism. The tasks today are broader and more demanding than just winning the allegiance of key leaders. For example, while it is vital that the U.S. government help keep Pakistan allied with the United States in the War on Terrorism, the United States must also help Pakistan move toward becoming a more stable, prosperous, democratic society.

Addressing Transnational Problems

Global and transnational issues are those where progress depends on collective effort and cooperation among countries. Examples include combating HIV/AIDS and other infectious diseases, forging international trade agreements, and combating criminal activities such as money laundering and trafficking in persons and narcotics. USAID will continue to play a leading role on these issues, assisting countries to address these problems that create danger and instability.

Providing Humanitarian Relief

The United States has always been a leader in humanitarian aid and disaster relief. It is the largest contributor of the food aid that has fed the hungry and combated famine around the world. This moral imperative has not changed. USAID is also making sure that the recipients are aware of the help and of U.S. generosity. This is particularly important in areas of the world subjected to anti-Americanism and terrorist propaganda.



Andrew S. Natsios
USAID Administrator
March 2005

1 See *U.S. Foreign Aid: Meeting the Challenges of the Twenty-First Century* (Washington, D.C.: USAID, 2004). www.dec.org/pdf_docs/PDABZ322.pdf

CORE GOALS FOR BILATERAL FOREIGN AID

Category	Characteristics	U.S. Goals	Factors Affecting Funding Levels	Assistance Requirements
FRAGILE STATES				
	Of those that are vulnerable • Limited willingness or ability of government to provide basic security and services to significant portions of population; or legitimacy of government in question *Of those in crisis* • Ineffective government control over its territory; inability or unwillingness of government to assure provision of vital services to significant parts of territory; or legitimacy of government weak or nonexistent • Violent conflict is a reality or great risk	• Prevent crisis and advance recovery to stage where development progress is possible • Address governance effectiveness and legitimacy issues • Achieve basic level of stability • Mitigate impact of conflict, where it exists • Move from crisis to vulnerable status	*For all fragile states* • Need in terms of degree of fragility • Government commitment to progress toward transformational development status • Local, nongovernmental commitment to address sources of fragility • Feasibility of achieving significant impacts • Foreign policy importance	*For all fragile states* • Enhance stability, addressing sources of stress and conflict in political, economic, and social spheres • Improve security, providing environment that enhances personal safety and establishes conditions under which serious outbreaks of generalized violence are averted • Encourage reforms related to conditions driving fragility and that increase likelihood of long-term stability • Develop capacity of institutions fundamental to lasting recovery and transformational development
TRANSFORMATIONAL DEVELOPMENT STATES				
MCA Eligible (Millennium Challenge Account)*	• Mostly low income, with correspondingly low social indicators • Strong sustained commitment to development progress, as indicated by policy performance • Sound proposals for using MCA funding	• Support government efforts to strengthen policies and institutions; undertake sound public investments; achieve economic, political, and social progress • Accelerate progress toward middle-income status and graduation from foreign aid	• Funding level and quality of government proposals	• MCA assistance in support of government proposals • Other development assistance as available and warranted
Low Income (including MCA threshold)	• Low income, with correspondingly low social indicators • Reasonably stable and capable of managing internal conflict • Policy performance ranging from weak to good	• Support government efforts to strengthen policies and institutions; undertake sound public investments; achieve economic, political, and social progress • Support government efforts to gain access to MCA	• Government commitment to development progress, as represented by policy performance • Need in terms of distance from economic and social criteria for graduation • Program performance • Country size • General foreign policy importance	• Improved governance and rule of law (ruling justly) • Promotion of economic freedom and growth (including agriculture, trade, and improved business climates) • Basic education and health (investing in people) • Prevention programs for countries tending toward fragility
Middle Income	• Middle income, with correspondingly good social indicators • Reasonably stable and capable of managing internal conflict • Policy performance ranging from good to weak	• Promote eventual graduation from developmental foreign aid—but not necessarily from aid for special concerns and global issues • Strengthen trade relationship • Strengthen security relationship	• Need in terms of distance from graduation thresholds • Government commitment to reaching graduation thresholds • Program performance • Country size and general foreign policy importance	• Assistance to reach development thresholds for graduation from development assistance—but not necessarily from aid for special concerns and global issues

*For more information, see page 36.

CORE GOALS FOR BILATERAL FOREIGN AID CONTINUED

Category	Characteristics	U.S. Goals	Factors Affecting Funding Levels	Assistance Requirements
STRATEGIC STATES				
Fragile		• Support foreign policy goals and concerns that justify aid at extraordinary levels • Address fragility and promote recovery		• As for fragile and recovering states, but subject to foreign policy goals and concerns for each country
Developing	• Countries where aid levels or program content are mainly determined by foreign policy concerns and considerations rather than by development or fragility criteria	• Support foreign policy goals and concerns that justify aid at extraordinary levels • Achieve greatest possible development progress, subject to foreign policy constraints and considerations	• Importance and urgency of foreign policy concern that motivates assistance • Willingness of government to cooperate with U.S. in addressing foreign policy concern motivating the assistance	• As for developing and transition states, subject to foreign policy goals and concerns for each country
Other		• Achieve specific foreign policy objectives		• As determined by foreign policy goals and concerns for each country
HUMANITARIAN RESPONSE				
	• In any country described above, depending on need	• Address humanitarian crises and provide for humanitarian needs	• Need for humanitarian relief	• Emergency and humanitarian assistance
GLOBAL ISSUES				
Global Issues and Other Special, Self-Standing Concerns *Examples: HIV/AIDS, other infectious diseases, climate change, narcotics and other illegal trade, direct support for specific trade agreements*	• Initiatives and specific programs pursued as self-standing concerns, rather than subordinated to larger development or fragility concerns • Funding often identified by specific program purposes, with guidance restricting uses of funds to a relatively narrow range to achieve concrete, near-term impacts • Funding typically allocated across countries according to criteria specific to the concern, rather than broad development criteria of commitment, performance, and need • Activities typically centrally rather than field driven, and based on uniform program purposes rather than country-specific needs and priorities	• Specific to the concern	• Specific to the concern	• Usually specific to the concern

HISTORY

Much of modern day international development assistance evolved out of Secretary of State George C. Marshall's plan to commit massive U.S. resources as a way of responding to calls to rebuild Europe's infrastructure and economy, destroyed by World War II. Passed into law as the European Recovery Act of 1947, the goal of the Marshall Plan, as it came to be known, was to stabilize Europe by providing financial and technical assistance.

Building on the success of the Marshall Plan, President Truman proposed an international development assistance program in his 1949 inaugural address. The 1950 Act of International Development focused on the goals of creating markets for the United States by reducing poverty and increasing production in less developed countries (LDCs) and diminishing the threat of communism by helping countries prosper under capitalism.

BERTHA GLOTZBACH SEES AGENCY THROUGH FOUR ORGANIZATIONAL CHANGES

Bertha Glotzbach spent most of her over 60 years of government service at USAID and its predecessor agencies. Soon after it was established to implement the Marshall Plan, she joined the Economic Cooperation Agency. She retired from USAID March 1, 2002.

From 1952 to 1961, programs supporting technical assistance and capital-intensive projects continued as the primary form of U.S. aid, and were recognized as a key component of U.S. foreign policy. During this time, various precursor organizations were established: the Mutual Security Agency, the Foreign Operations Administration, and the International Cooperation Administration. Programs such as Food for Peace (food aid) and the Development Loan Fund also were introduced.

In 1961, Congress passed the Foreign Assistance Act (FAA), which mandated the creation of an agency to promote long-term assistance for economic and social development. On November 3, 1961, President John F. Kennedy established USAID. The years of the Kennedy and Johnson administrations, known as the "decade of development," witnessed tremendous growth in international development assistance. This was also called the period of "high development," when aid focused on centralized programming, predominantly in the form of general-purpose resource transfers between governments.

Since 1961, USAID has been the principal U.S. agency providing assistance to countries recovering from disaster, trying to escape poverty, and engaging in democratic reforms.

The 1970s were marked by a significant departure in the delivery of U.S. development assistance. A "basic human needs" approach replaced technical and capital assistance programs. The New Directions legislation of 1973 identified five categories of assistance for meeting the basic needs of the poorest countries. Programs were designed along functional categories to support

- food and nutrition
- population planning
- health, education, and human resources development
- selected development problems
- selected countries and organizations

USAID's goal was to share American technical expertise and provide commodities to meet development problems, rather than rely on large-scale transfers of money and capital goods or the financing of infrastructure. USAID's operations today remain very similar to what was laid out in the 1973 legislation.

In the 1980s, foreign assistance turned to "stabilization and restructuring." USAID designed export-oriented production and trade projects to stabilize currencies and financial systems. It also promoted market-based principles to restructure policies and institutions of LDCs. During this decade, USAID reaffirmed its commitment to broad-based economic growth, emphasizing employment and income for the poor through a revitalization of agriculture

and expansion of domestic markets. The Reagan administration restored foreign economic assistance as a function of national security policy and created four pillars of aid:

- policy dialogue and reform
- institutional development
- technology transfer
- private sector development

In this decade, development activities were increasingly channeled through private voluntary organizations, and aid shifted from individual projects to large programs comprising a number of projects.

In the 1990s, "sustainable development" was the priority, and USAID concentrated on programs that capitalized on the capacity of a country to improve its own quality of life. Four areas identified as fundamental to sustainable development were population and health, broad-based economic growth, environmental protection, and building democracy. During this decade, development assistance programs also were packaged according to a country's economic condition: less developed countries received an integrated package of assistance, transitional countries received help in times of crisis, and countries with limited USAID presence received nongovernmental sector support.

In 1989, Congress passed the Support for East European Democracy (SEED) Act, and in 1991 the Freedom for Russia and the Emerging Eurasian Democracies and Open Markets Support Act (FREEDOM Support Act). While the overall coordination for these two acts is with the Department of State, USAID plays a lead role in the planning and implementation of programs to establish functioning democracies that have open, market-oriented economic systems and responsive social safety nets.

Chemonics International

A water project in Mali, one of 16 countries eligible for MCA assistance in FY 2005.

In the new millennium, USAID and the Department of State, for the first time, issued a joint strategic plan for the years 2004–09. The plan focuses on advancing the U.S. National Security Strategy and intensifies U.S. attention on failing states. The creation of the Millennium Challenge Account (MCA) in March 2002 was announced by President George W. Bush as the "New Compact for Development." The president linked greater contributions by developed nations to greater responsibility by developing nations. In January 2004, he signed into law the Millennium Challenge Corporation to administer the MCA.

In his 2003 State of the Union Address, President Bush announced the Emergency Plan for AIDS Relief (PEPFAR), a five-year, $15 billion initiative to turn the tide in the global effort to combat the HIV/AIDS pandemic. The initiative will provide antiretroviral drugs for 2 million HIV-infected people, prevent 7 million new infections, care for 10 million individuals and orphans infected and affected by the disease, and build health system capacity in Africa, the Caribbean, and Asia. PEPFAR builds on the Global Fund to Fight AIDS, Tuberculosis, and Malaria, established in 2002 by independent public-private partnerships to fight three of the world's most devastating diseases. The United States, through USAID and the Department of Health and Human Services, is the largest contributor to the Global Fund and has pledged $500 million to date.

Today, USAID furthers U.S. foreign policy objectives by supporting economic growth, agriculture, and trade; global health; and democracy, conflict prevention, and humanitarian assistance.

USAID'S BRAND HERITAGE

Found in the most remote corners of the globe, the USAID handclasp is one of the best known U.S. emblems throughout the world. It has become a symbol of the long history of the United States aiding those in need.

In 2004, USAID announced it was undertaking a global branding effort to ensure that the U.S. government and American taxpayer receive full credit and recognition for the billions spent each year on foreign assistance. The new logo makes it clear: foreign assistance is "from the American people."

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USAID's updated graphic identity, 2004.

Labeling of foreign assistance was first required during the years of the Marshall Plan, when Congress became concerned that the Soviet Union was taking credit for the poorly marked U.S. foreign aid donations to European countries. First designed in 1948, the logo was adapted from the Great Seal of the United States, with the words "For European Recovery Supplied by the United States of America" in the center. It was translated into the languages of recipient countries.

USAID's Graphic Standards Manual sets the brand standards for all Agency communications. It is available at www.usaid.gov/branding.

But the slogan became obsolete when military aid was added to the economic program, and when some Near East and Asian countries were added to the roster of recipients under President Truman's Point IV Program. In 1951, the slogan became "Strength for the Free World from the United States of America."

In several countries, there were problems translating the slogan into local dialects, so different designs and slogans were used. Moreover, the wide variety of containers used required a range of labels, decals, metal plates, tags, and stencils in all sizes. The value of the overall message was diminished due to a lack of uniformity.

In 1953, Eleanor Gault, an employee in the Marking and Labeling Office of the Mutual Security Agency—a USAID predecessor—revised the emblem. During her research, she discovered that clasped hands have been recognized as a sign of unity, goodwill, and cooperation for centuries. She concluded that clasped hands "could serve to identify the aid as part of the mutual effort with mutual benefits shared by our country and friends around the world."

In the early 1990s, a completely new logo was developed. It combined a modern image of the globe and U.S. flag, with USAID prominently displayed. This image, however, was viewed as too far a departure from previous logos and was soon discarded.

The Agency returned to the shield in the mid-1990s, but moved the stars to the lower third of the design and added USAID to the top.

In 2001, "United States Agency for International Development," was added in a circle around the shield. The goal was to ensure people understood the assistance was from the U.S. government.

USAID ACCOMPLISHMENTS

Historically, about one-half of one percent of the federal budget is allocated to economic and humanitarian assistance. In 2004, USAID directly administered approximately $8.8 billion and co-managed another $4.5 billion with the Department of State. $2.3 billion of the $13.3 billion allocated for development in 2004 targeted relief and reconstruction projects in Iraq.

Here are a few examples of what USAID is accomplishing:

- More than 3 million lives are saved every year through USAID immunization programs.
- Eighty thousand people and $1.0 billion in U.S. and Filipino assets were saved due to early warning equipment installed by USAID that warned that the Mount Pinatubo volcano was about to erupt in 1991. USAID has also supplied early warning systems to Bangladesh, Thailand, Chile, and Peru.
- In Egypt between 1982 and 1987, infant mortality declined 26 percent, child mortality fell 43 percent, mortality attributed to diarrhea fell 82 percent among infants, and mortality attributed to diarrhea fell 62 percent among children. A diarrheal disease program, funded largely by USAID, established the local production of oral rehydration salts and used mass media to educate the population about their use.
- The United Nations Drinking Water Supply and Sanitation Decade (1981–90), in which USAID played a major role, resulted in 1.3 billion people receiving safe drinking water sources and 750 million people receiving sanitation for the first time.
- Beginning in the mid-1950s, agricultural research sponsored by the United States sparked the "Green Revolution" in India. These breakthroughs in agricultural technology and practices resulted in the most dramatic increase in agricultural yields and production in the history of mankind, allowing nations like India and Bangladesh to become nearly food self-sufficient.
- After initial USAID startup support for loans and operating costs, in 1992 Banco Solidario (BancoSol) became the first full-fledged commercial bank in Latin America dedicated to microbusiness. BancoSol serves about 44,000 small Bolivian businesses with loans averaging $200. The bank now is a self-sustaining commercial lender that needs no further USAID assistance.
- Since 1987, USAID has initiated HIV/AIDS prevention programs in 32 countries, and is the recognized in the developing world as the technical leader in the design and development of these programs. Over 850,000 people have been reached with USAID HIV prevention education, and 40,000 people have been trained to support HIV/AIDS programs in their own countries.
- USAID child survival programs have made a major contribution to a 10 percent reduction in infant mortality rates worldwide in just the past eight years.

Five Major Achievements in Iraq, 2003–04

1. Created local and city governments in more than 600 communities
2. Restarted schools by rehabilitating 2,500 schools, providing textbooks to 8.7 million students and supplies to 3.3 million students, and training 33,000 teachers
3. Vaccinated 3 million children; equipped 600 primary-care health clinics and rehabilitated 60
4. In conjunction with the Coalition Provisional Authority (CPA), restored electric service to eight major power plants that now deliver 2,100 megawatts of power
5. Revived the marshlands located in southern Iraq by reflooding the area

Five Major Achievements in Afghanistan with International Help

1. 10 million Afghans registered to vote, more than 40 percent of whom are women
2. 5 million children vaccinated and 72 clinics and hospitals rehabilitated
3. School enrollment dramatically increased from 900,000 to 5 million; girls attend classes for the first time in a decade
4. Reconstruction accelerated: Kabul-to-Kandahar highway completed, linking the country's two largest cities
5. New Afghan currency—the afghani—is creating confidence as businesses invest and expand

PRINCIPLES OF DEVELOPMENT AND RECONSTRUCTION ASSISTANCE

Nine principles guide U.S. development and reconstruction assistance. The principles are fundamental to the success of assistance as an instrument of U.S. foreign policy and national security. They are not a checklist, but rather a summary of the characteristics of assistance that achieves development objectives, including economic growth, democracy and governance, and social transition.

1 **Ownership**
Build on the leadership, participation, and commitment of a country and its people.

2 **Capacity Building**
Strengthen local institutions, transfer technical skills, and promote appropriate policies.

3 **Sustainability**
Design programs to ensure their impact endures.

4 **Selectivity**
Allocate resources based on need, local commitment, and foreign policy interests.

5 **Assessment**
Conduct careful research, adapt best practices, and design for local conditions.

6 **Results**
Focus resources to achieve clearly defined, measurable, strategically focused objectives.

7 **Partnership**
Collaborate closely with governments, communities, donors, NGOs, the private sector, international organizations, and universities.

8 **Flexibility**
Adjust to changing conditions, take advantage of opportunities, and maximize efficiency.

9 **Accountability**
Design accountability and transparency into systems and build effective checks and balances to guard against corruption.

POLICIES, STRATEGIES, AND ANALYSIS

Agency policies, strategies, and research and analysis are prepared by experts to guide programs, promote discussion, and inform USAID's development partners, other U.S. government agencies, and the general public in the United States and abroad.

Policies and Policy Guidance

Policies provide the context of development or humanitarian challenges, articulate and justify USAID's approach to specific challenges, and issue *specific guidance that must be followed when designing and implementing USAID programs* to address the challenges. Policies also serve to communicate USAID priorities and approaches to other donors, other U.S. government agencies, implementing partners, and others.

USAID has an extensive set of polices that cover broad policy on foreign assistance, key development sectors, subjects that cross sectors, and operational issues. USAID policies can be found at www.usaid.gov/policy and at www.dec.org. Some of the more recent polices and policy guidance include

- *Political Party Assistance*
- *Basic Education*
- *Assistance to Internally Displaced Persons*
- *Guidance on the Definition and Use of the Child Survival and Health Programs Fund and the Global HIV/AIDS Initiative Account: FY 2004 Update*
- *Guidelines on Construction Accessibility Standards for the Disabled*

USAID policies can be found at www.usaid.gov/policy and at www.dec.org.

An additional policy on conflict mitigation and management is awaiting approval. A policy framework for bilateral foreign assistance and a statement on the nonhealth impacts of HIV/AIDS are being developed.

Alejandro Chicheri/WFP

An Afghan woman conducts a home survey. USAID's new strategy on fragile states addresses the kinds of challenges faced in Afghanistan.

Core Strategies

Agency core strategies discuss development challenges in greater detail and identify choices that generally guide USAID's programs. *Unlike policies, strategies are not binding.* Strategies pertain to key development sectors, subjects that cross sectors, or broad goals for foreign aid. USAID's most recent core strategies address

- agriculture
- HIV/AIDS

Michael Ross, Sandia National Laboratory

A home in Veracruz, Mexico, obtains solar power as a result of a decade-long long collaboration on energy projects between USAID and the U.S. Department of Energy's Sandia National Laboratory.

- building trade capacity in the developing world
- trafficking in persons
- fragile states
- anticorruption

An agency strategy for education is near completion.

Research and Analysis

Analytical discussion and background or issue papers synthesize the most relevant information and current thinking on important foreign aid issues to promote discussion and exchange of ideas among experts and provide a foundation for policy and strategy formulation.

Recent major analytical works have focused on the relief and development challenges of the 21st century and making foreign aid more effective in response to those challenges:

- The 2002 *Foreign Aid in the National Interest: Promoting Freedom, Security, and Opportunity* contains chapters by leading development scholars and academics outside USAID who look back at five decades of foreign aid experience and describe some of the major development challenges for the next 10–20 years.
- The 2004 White Paper, *U.S. Foreign Aid: Meeting the Challenges of the Twenty-First Century,* builds on the 2002 report, suggesting five core goals for bilateral foreign aid, along with reforms and guiding principles for increasing aid effectiveness in terms of each goal.

USAID has also launched a series of analytical reports on development issues in predominantly Islamic countries. Two reports, *Strengthening Education in the Muslim World* and *Economic Growth in the Muslim World: How Can USAID Help?,* have already been published. Two others, *Governance in the Muslim World* and *The Idea of Philanthropy in Muslim Contexts,* are being finalized.

Other research and analysis include

- increasing trade and investment through USAID programs
- strengthening education through institutional reform
- clarifying the links between development and poverty reduction
- analyzing development progress and aid effectiveness, the role for the private sector in country development strategies, and civil society participation in sector assistance programs
- measuring the effects of humanitarian relief
- identifying strategic approaches to managing foreign aid

Work in progress includes analyses of the economic performance and prospects of developing countries and strategic issues related to foreign assistance.

FOREIGN ASSISTANCE LEGISLATION AND USAID

The Foreign Assistance Act of 1961, as amended, is the major piece of legislation authorizing foreign economic assistance programs. The FAA provides the policy framework within which all economic assistance is furnished, and the authorities to implement FAA assistance programs. Other legislation—such as the FREEDOM Support Act for the states of the former Soviet Union, PL 480 Title II food aid, and the 2003 U.S. Leadership Against HIV/AIDS, Tuberculosis, and Malaria—authorize additional foreign assistance programs. Some of these acts amend the FAA, or they rely on its authorities. Others are standalone legislation authorizing additional foreign assistance programs. In addition to this authorizing legislation, annual appropriations legislation provides funding for FAA and other foreign assistance programs.

Both authorizing and appropriations legislation provide various authorities that permit a considerable degree of flexibility in the management of assistance programs. However, they also place limits on how and where particular foreign assistance programs may be administered. In addition to the enacted law itself, reports accompanying the various pieces of legislation provide guidance to the executive branch on the congressional intent behind provisions in the legislation or how Congress wishes the legislation to be implemented.

Authorities

The FAA provides USAID the basic authority to provide *development assistance*. Until 1992, Congress appropriated funds separately for each sector (e.g., agriculture and education). To increase flexibility, in 1992, sector-specific appropriations were combined into fewer accounts. By 2004, there were two: Development Assistance and Child Survival and Health Programs. A separate Global HIV/AIDS Initiative account is managed directly by the HIV/AIDS Coordinator in the Department of State. The FAA also contains authorization for other programs, such as microenterprise and small-enterprise credit and international disaster assistance.

Provisions Limiting Program Administration

Most limitations affecting foreign assistance programs are contained in appropriations legislation and in reports issued by the appropriations committees.

- Before funding specified activities or activities for specific countries, *prior notification* to Congress is required for funding at levels greater than those previously notified. Congressional notifications are

Jacob J. Kirk, U.S. Navy

A family affected by the December 2004 tsunami waits for humanitarian relief in Banda Aceh, Sumatra, Indonesia. U.S. international disaster assistance is authorized by the Foreign Assistance Act of 1961.

Until 1992, Congress appropriated funds separately for each sector (e.g., agriculture, education). To increase flexibility, in 1992, sector-specific appropriations were combined into fewer accounts.

sent to the two authorizing and appropriations committees 15 days before program funds are obligated. During this waiting period, congressional committees may place "holds" on the proposed obligation of funds, thus initiating consultation between USAID and Congress.

- There are *prohibitions on assistance to certain countries,* such as those that support international terrorism or engage in gross violations of internationally recognized human rights, who are in arrears on their loan repayments to the United States, or whose elected head of government has been overthrown by a military coup.
- There are *provisions that limit or prohibit USAID from providing assistance for certain activities or programs,* such as those that "pay for the performance of abortion as a method of family planning."
- *Earmarks* force USAID to spend minimum amounts from certain accounts—for specific purposes or in specific countries—reducing the amount that can be spent on other programs or in other countries. For USAID, the more significant earmarking is in committee reports. In 2001 there were approximately 250 statutory and report-language earmarks and directives affecting development assistance.
- USAID's *operating expenses* are limited as a separate line item in the appropriations act. As the number of programs implemented has increased, Congress has provided USAID with the authority to use some program funds for administrative expenses rather than appropriating additional funds for operating expenses.

Provisions Allowing Flexibility in Administration

Congress has enacted several types of provisions that allow flexibility in administration of foreign aid programs:

- *Notwithstanding authorities* allow several specific programs to be implemented "notwithstanding any provision of law" (i.e., without regard to certain legal restrictions). This means that, depending on the specific type of authority, the funding may be exempt from some restrictions on types of programs funded or, under certain circumstances, countries to which the funding may be directed. Programs with total or partial notwithstanding authority include disaster assistance, democratization, Child Survival and Health, transition assistance, emergency food aid, and all aid to Afghanistan and the former Soviet Union.
- *Transfer authorities* allow the shifting of funds within certain percentage limitations between functional development assistance accounts (e.g., between Development Assistance and Child Survival and Health Programs) and from development assistance to USAID's operating expenses. The FAA contains other transfer authorities affecting nondevelopment assistance accounts.
- *Extraordinary waiver authorities* allow the president to use up to $250 million in economic assistance funds (not more than $50 million in any one country) without regard to certain legal restrictions—if he determines that it is important to the security interests of the United States. Another similar authority allows the president to use $25 million in any fiscal year to meet unanticipated contingencies.

PROGRAM BUDGET PROCESS AND BUDGET ACCOUNTS

USAID's budget-setting process is iterative, spanning many fiscal years before budget levels are finalized for an actual operating year. USAID and the State Department hold close consultations throughout the process.

Figure 1. Summary of the USAID budget process

Key Steps in the Budget Cycle

- *Annual Report:* Each winter, a USAID field mission submits a document that reports on results achieved for the fiscal year just ended. At the same time, the mission requests a certain level of funding for the fiscal year beginning 20 months hence. (For example, the Annual Report prepared December 2004 includes a funding request for FY 2007—October 1, 2006 to September 30, 2007—and a planning level for FY 2008.) The Annual Report includes an Operational Plan, which specifies the tactical procedures for implementing the mission's strategy, provides a rationale for allocating resources, describes a three-year timeframe for the strategy, formulates or revises strategic objectives and program components, and identifies significant management concerns.

- *Bureau Program and Budget Submission (BPBS):* USAID's Washington-based bureaus prepare BPBSs by analyzing the incoming Annual Reports, performance results of the missions, prevailing political factors, unexpended funding levels, and other parameters.

- *Internal budget review:* During the summer, USAID meets with bureaus and missions on their BPBSs and prepares a consolidated budget request known as the Agency Budget Submission (ABS), which ensures that policy, program, budget, management, and strategic priorities have been addressed.

- *ABS submission to State Department and Office of Management and Budget (OMB):* Another series of consultations takes place, this time between USAID and the State Department, to review the ABS. Concluded by early September, a consolidated State-USAID foreign affairs request is transmitted to OMB.

- *OMB passback:* By late November, OMB passes back to USAID the ABS with OMB-approved budget levels. After a round of meetings with OMB, a final budget level is decided and included in the President's Budget, which is transmitted to Congress in early February.

- *Congressional Budget Justification (CBJ):* Using the President's Budget, USAID prepares the CBJ, which provides detailed descriptions of the programs the Agency plans to fund during the next fiscal year.

- *Operating Year Budget (OYB):* After the appropriations bill has been passed and becomes law, USAID decides how to use the appropriated funds to meet congressionally mandated activities and fund presidential initiatives (e.g., the Initiative to End Hunger in Africa) and other ongoing programs.
- *653(a) Report:* By law, USAID must submit a "653(a) Report" to Congress that shows how USAID plans to allocate its budget to each USAID mission.

Overview of Budget Accounts

USAID manages a range of budget accounts that are organized largely along functional and regional lines. In addition to accounts directly managed by USAID, the agency co-manages several accounts with the State Department and administers a growing amount of funding transferred from other agencies' accounts, such as the Millennium Challenge Account and the Global HIV/AIDS Initiative. All of these accounts, except PL 480 Title II, are appropriated in the Foreign Operations bill. The following accounts are directly managed by USAID:

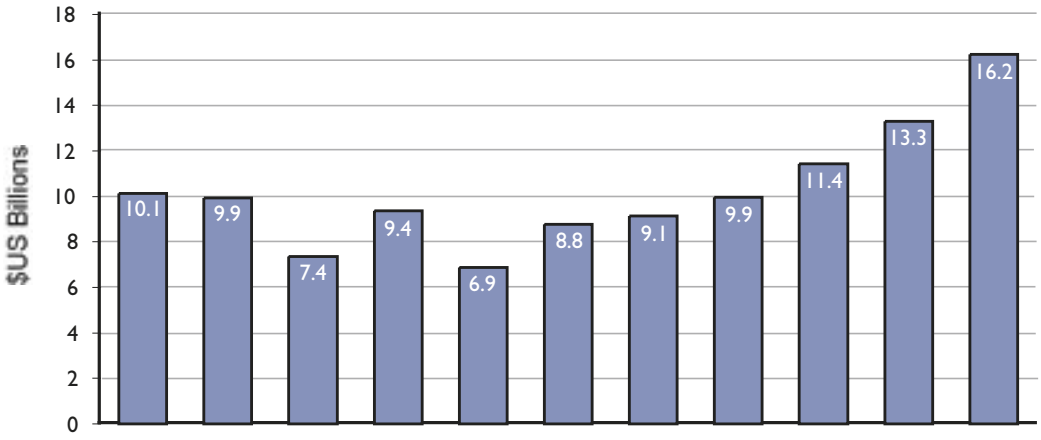
- *Child Survival and Health programs (CSH):* CSH programs expand basic health services and strengthen national health systems to significantly improve people's health, especially that of women, children, and other vulnerable populations.
  FY 2004 appropriation: $1.8 billion
- *Development Assistance (DA):* DA provides sustained support to help countries acquire the knowledge and resources that enable development and foster economic, political, and social institutions.
  FY 2004 appropriation: $1.4 billion
- *Transition Initiatives (TI):* TI programs help countries in crisis transition to democracy and encourage long-term development by promoting democratic institutions and processes, revitalizing basic infrastructure, and fostering peaceful conflict resolution.
  FY 2004 appropriation: $55 million
- *International Disaster and Famine Assistance (IDFA):* IDFA funds humanitarian relief, rehabilitation, and reconstruction assistance in response to natural and manmade disasters. IDFA also supports famine prevention and relief activities.
  FY 2004 appropriation: $544 million

DISTRIBUTION OF BUDGET FUNDS BY USAID BUREAU, FY 2004 (PERCENT)

Location		Account									
		ACI	AEEB	CSH	DA	ESF	FSA	IDFA	IRRF	PL 480	TI
Regional Bureaus	Africa			40	35	2		28		15	
	Asia & Near East			22	26	92		2	95	25	
	Europe & Eurasia		100	1		2	100				
	Latin America & Caribbean	100		12	20	4				60	
Pillar Bureaus	Democracy, Conflict, & Humanitarian Assistance				6			70	5		100
	Economic Growth, Agriculture, & Trade				12						
	Global Health			25							

Funds that can only be used in this region.
Funds that can only be used in Iraq (IRRF—Iraq Relief and Reconstruction Fund).
Funds that can be used in any country, regardless of which bureau manages the funds.

UNITED STATES OFFICIAL DEVELOPMENT ASSISTANCE (ODA)



Source: OECD/DAC Official Development Assistance, Net Disbursements

- *PL 480 Title II (food aid):* PL 480 Title II funds are appropriated to the Department of Agriculture and administered by USAID. The program uses abundant U.S. agricultural resources and food processing capabilities to enhance food security in the developing world by providing nutritious food commodities.
  FY 2004 appropriation: $1.2 billion

The following accounts are jointly managed by USAID and the State Department:

- *Economic Support Fund (ESF):* ESF promotes U.S. economic and political foreign policy interests by providing assistance to allies and countries in transition to democracy, supporting peace negotiations, and financing economic stabilization programs. USAID, with overall foreign policy guidance from the State Department, implements most ESF-funded programs.
  FY 2004 appropriation: $3.3 billion

- *Andean Counterdrug Initiative (ACI):* ACI supports a comprehensive strategy to reduce the flow of drugs to the United States and prevent instability in the Andean region. The account is appropriated to the State Department, which transfers a portion of the funding to USAID to manage alternative development programs in Bolivia, Colombia, Ecuador, and Peru.
  FY 2004 appropriation: $229 million (USAID portion)

- *FREEDOM Support Act (FSA):* FSA facilitates the democratic and economic transition of the independent states of the former Soviet Union and supports emerging democratic organizations and market-based institutions in the region.
  FY 2004 appropriation: $585 million

- *Assistance for Eastern Europe and the Baltic States (AEEB):* AEEB promotes local and regional stability and supports the region's transition into the European and transatlantic mainstream. AEEB also supports postconflict, health, and environment programs, and activities to reduce the threat of organized crime and HIV/AIDS. The account is also known as Support for East European Democracy (SEED).
  FY 2004 appropriation: $442 million

STRATEGIC MANAGEMENT AND STANDARDIZED PROGRAM COMPONENTS

USAID must set targets and measure results at various levels—including agency, bureau, and field mission—and in varying country contexts ranging from failing states to those nearing graduation. The *U.S. Department of State and USAID Strategic Plan, Fiscal Years 2004–2009* (joint State-USAID Strategic Plan) presents the overarching construct for managing, measuring, and reporting USAID's contribution to U.S. foreign policy objectives. To link the programmatic operations of the agency to the strategic and performance goals of the joint State-USAID Strategic Plan, USAID formulated 40 standardized program components covering nine sectoral areas:

- economic prosperity and security
- environment
- education
- family and workforce health
- democracy, governance, and human rights
- international trafficking in drugs and persons
- conflict management
- humanitarian response
- operations and management

The standardization of program components brings greater uniformity and coherence to the agency's reporting on its programs while allowing enough flexibility to address country-specific situations. Further, the standardization enables USAID to represent its contributions to U.S. foreign policy objectives in a more consistent, logical, and straightforward manner.

Thomas Hartwell, USAID

Repair work at the Al-Mamoun telephone exchange, Baghdad, is part of USAID's effort to restore critical infrastructure and expand economic opportunities in Iraq.

Strategic planning requires each field mission to develop a three-year strategy describing the sectoral areas it will work in and the goals to be accomplished. Strategic objectives are established for each of the chosen sectoral areas. An annual operational plan then specifies the particular program components that will support each strategic objective. The packaging of components into strategic objectives varies from one field mission to another. In most cases, more than one program component is required to capture the sectoral area covered by a strategic objective. However, program components cannot be cross-cutting, and must be attributed to a single agency performance goal.

Each program component is measured by a small number of common indicators. A common indicator measures changes in a program component, regardless of the context or setting. For example, all operating units must select from the same set of indicators to describe their activities under the program component, "Improve the Quality of Basic Education." The set of indicators for this component may include measures of curriculum development, management information systems, teacher training, and education policy reform. The indicators are part of the Annual Report database. They will be revised and updated each year, as necessary, in the performance measurement.

Standardized Components with Definitions

Economic Prosperity and Security

- Increase Participation in Global Trade and Investment
  Trade and investment spur economic growth, development, and poverty reduction.

- Improve Economic Policy and Governance
  Private sector-led growth requires free market policies, regulations, and institutions.

- Increase Private Sector Growth
  An unfettered and competitive private sector is the economic engine of a country.

- Strengthen Financial Sector's Contribution to Economic Growth
  Access to credit through a variety of debt instruments improves the efficiency of financial markets.

- Expand and Improve Access to Economic and Social Infrastructure
  Equitable and open access in sectors such as energy, information technology, transportation, and health increases economic and social wellbeing.

- Increase Agricultural Productivity
  Productivity is boosted through research, training, and sound management of natural resources.

- Protect and Increase the Assets and Livelihoods of the Poor During Periods of Stress
  Design survival strategies that minimize vulnerability and protect assets and livelihoods.

Environment

- Improve Sustainable Management of Natural Resources and Biodiversity Conservation
  Adopt policies and practices that safeguard land, water, and soil use; and conserve biological diversity.

- Reduce, Prevent, and Mitigate Pollution
  Adopt policies and practices that emphasize cleaner industrial, energy, and urban development.

- Improve Access to Clean Water and Sanitation
  Access to clean water and sanitation reduces mortality rates.

Education

- Improve the Quality of Basic Education
  Upgrade the fundamentals of learning to improve access to better job opportunities.

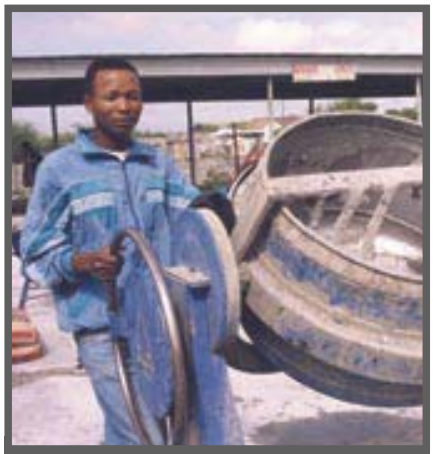
- Improve Institutions of Higher Education
  Meet the training and education needs of a country's population through high-quality educational facilities.

- Improve Quality of Workforce
  Keep youths and adults employable in a developing and changing economy.

Family and Workforce Health

- Reduce Transmission and Impact of HIV/AIDS
  Lower transmission rates lower the number of women, children, and orphans in distress.

- Prevent and Control Infectious Diseases of Major Importance
  Provide better response capability and treatment for tuberculosis and malaria.



R. Zurba, USAID/South Africa.

A South African participating in a USAID-supported training center that helps improve the quality of the workforce and keep youths and adults employable.

- Reduce Noncommunicable Diseases and Injuries
  Reduce the incidence of heart attacks, cancer, diabetes, household and vehicle accidents, etc., through prevention activities and health systems reform.

- Improve Child Survival, Health, and Nutrition
  Promote breastfeeding, immunization, and other healthy interventions to reduce illness, mortality, and malnutrition for children under age 5.

- Improve Maternal Health and Nutrition
  Educate mothers on nutrition, birth spacing, and infection control to improve newborn health.

- Reduce Unintended Pregnancy and Improve Healthy Reproductive Behavior
  Promote effective voluntary family planning programs.

- Build Health Systems Capacity
  Improve delivery of health services by strengthening accessibility, effectiveness, and sustainability of the health sector.

Democracy, Governance, and Human Rights

- Improve Justice Sector/Legal Framework
  Uphold democratic practices by improving the way laws and legal institutions work.

- Strengthen Democratic National Governance Institutions
  Strengthen legislatures, government ministries, and agencies to increase their effectiveness and accountability to the people.

- Support Democratic Local Government and Decentralization
  Strengthen local government functions to ensure the devolution of political authority and effective, democratic local governance.

- Promote and Support Free and Fair Elections
  An impartial electoral framework of laws and regulations supports credible administration of elections.

- Strengthen Democratic Political Parties
  The development of competitive political parties sustains democracy.

- Strengthen Civil Society
  Civil society flourishes and promotes pluralism and public dialogue with investments in civic education.

- Establish and Ensure Media Freedom and Freedom of Information
  Independent media disseminating uncensored information promotes the development of a well-informed populace.

- Promote and Support Anticorruption Reforms
  Transparency and accountability in government institutions and policies thwarts corruption.

- Protect Human Rights and Equal Access to Justice
  Improve due process, nondiscrimination, and representation of all groups of society.

- Promote Effective and Democratic Governance of the Security Sector
  Integrated judicial systems improve public order and security and support anticorruption and human rights programs.

International Trafficking in Drugs and Persons

- Develop and Expand Alternative Development
  Deter illegal narcotics trade.

- Reduce Trafficking in Persons
  Decrease the exploitation of vulnerable persons and increase effective prosecution.

Conflict Mitigation

- Support Peace Processes
  Support secretariats and provide negotiating and civil society training.

- Improve Early Warning and Response Mechanisms
  Early detection promotes policy decisionmaking to mitigate tensions before violence erupts.

- Improve Community-Based Reconciliation Efforts
  Capacity to restore peace after conflict requires long-term commitment by communities.

- Address Conflict Transitional Issues
  Seize opportunities to strengthen democratic institutions and processes to enhance momentum for peaceful resolution of conflict.

Humanitarian Response

- Improve Emergency Preparedness and Disaster Mitigation
  Improve the capability of governments and humanitarian providers to engage in disaster reduction and response activities.

- Provide Emergency Assistance
  Offer personnel, commodities, or funding in times of emergency.

- Increase Food Security of Vulnerable Populations
  Improve availability, access, and utilization of food to reduce risk of future food insecurity.

Operations and Management

- Promote Public-Private Alliances as a Principal Business Model
  Public-private alliances extend USAID's reach and effectiveness in achieving foreign aid objectives.

PROGRAMMING MECHANISMS

USAID defines and organizes its work around the end results it seeks to accomplish. This means making intended results explicit; ensuring agreement among partners, customers, and stakeholders that proposed results are worthwhile; and organizing day-to-day work and interactions to achieve results as effectively as possible—all while following U.S. government statutes and regulations. The Government Performance and Results Act (known as GPRA or "the Results Act") establishes performance planning and monitoring as the "way government business should get done." *USAID employees, particularly field staff, work continuously with host-country counterparts to promote needed policy or legislative reforms, work collaboratively with other donor organizations to carry out surveys and assessments, and actively monitor the work of project implementers to ensure that progress is being made and anticipated outcomes achieved.* The term "managing for results" has been used by USAID since 1996, and it is one of three guiding principles in the President's Management Agenda announced in 2001.

USAID is the preeminent civilian international development contracting agency of the federal government, with 76 direct-hire contract specialists supporting USAID programs around the world. In FY 2004, USAID made awards of over $8 billion.

Deborah Alexander, USAID

USAID provided a grant to help a commercial radio station get on the air in Kabul, Afghanistan—one that employs women disc jockeys.

Federal statutes—such as the Federal Grant and Cooperative Agreement Act of 1977, the Competition in Contracting Act of 1984, and the Federal Acquisition Regulation (FAR)—and regulations issued as Office of Management and Budget (OMB) circulars guide USAID contracting officers in awarding contracts, grants, and cooperative agreements. OMB oversees and coordinates the administration's procurement, financial management, information, and regulatory policies—including those of USAID—and ensures that agency reports and rules are consistent with the President's Budget and with administration policies.

USAID's Automated Directives System (ADS) was developed to provide USAID personnel an easy-to-navigate reference consolidating all the relevant federal statutes and regulations to ensure compliance with the letter of the law in the agency's day-to-day assistance activities.

In addition to planning a results-oriented development activity, USAID must, by statute, undertake analytical studies, including an environmental review, and country and obligation-level statutory reviews. The agency must also prepare a congressional notification and verify the availability of funds before awarding a contract.

USAID implements its assistance programs through the following financial mechanisms:

- *Contracts* purchase services, equipment, or commodities, according to a specified scope of work.

- *Cooperative agreements* are usually awarded to nonprofit organizations or educational institutions to accomplish a public purpose. USAID typically maintains a specified level of substantial involvement.
- *Grants* are essentially the same as cooperative agreements, but allow the recipient more freedom to pursue its stated program without substantial involvement from USAID.
- *Strategic objective agreements (SOAg)* are formal agreements that obligate funds between USAID and the host government. A SOAg sets forth a mutually agreed-upon understanding of the timeframe, results expected, means of measuring those results, resources, responsibilities, and contributions of participating entities for achieving a clearly defined strategic objective.
- *Public-private alliances* are a new business model to encourage corporate social responsibility by promoting partnerships with the private sector that achieve the highest sustainable development impact in developing countries and emerging markets.

DOCUMENTS THAT GOVERN USAID DEVELOPMENT ASSISTANCE PLANNING

Planning Level	Governing Federal Laws and Regulations
Joint USAID-State Strategic Plan	Government Performance and Results Act, 1993 Office of Management and Budget A-11
Joint USAID-State Performance Budget	Government Performance and Results Act, 1993
USAID Performance Report	Government Performance and Results Act, 1993
Annual Budget Submission	Office of Management and Budget A-11
Operating Unit Strategy Statement and Operational Plan	Foreign Assistance Act, 1961
Operating Unit Strategic Objective	Foreign Assistance Act, 1961, Section 118(e) and 199(d)
Pre-Obligation Planning	Foreign Assistance Act, 1961; Federal Acquisition Regulation; 22 CFR* 216
Activity Planning	Foreign Assistance Act, 1961; Federal Grant and Cooperative Agreement Act, 1977; Competition in Contracting Act, 1984; Small Business Administration Act; Procurement Integrity Act; Federal Acquisition Streamlining Act, 1994; Federal Acquisition Regulation; 22 CFR 216; 22 CFR 226; 22 CFR 228; and Office of Management and Budget Circulars A-21, 122, 133
Award Management	Federal Acquisition Regulation

*CFR – Code of Federal Regulations

While a contracting officer (CO) awards contracts, grants, and cooperative agreements, the "eyes and ears" for managing programs is the cognizant technical officer (CTO). The CTO, usually the activity manager, monitors technical performance and reporting for any potential or actual problem, and ensures compliance with the terms of the award. Together with the CO, the CTO is responsible for managing U.S. taxpayer funds.

Much of the regulatory and statutory framework in which USAID conducts its work is outside its direct control: it is required by federal law, OMB regulations, or the FAR.

USAID also uses implementing instruments to accomplish its goals, including

- transfers to other federal agencies
- contributions to international organizations such as the United Nations
- implementation letters with host-country governments
- university partnerships
- public-private alliances, known as Global Development Alliances, that deal with international development challenges

Additional information about how USAID implements its activities through contracting mechanisms can be found on USAID's website: www.usaid.gov/business/.

PARTNERSHIPS AND USAID'S ENGAGEMENT

USAID almost always implements its programs through partner organizations. Thus, field staff oversee and fund work with agencies and companies that, for example, invent new seed varieties, train healthcare professionals, rebuild roads, or run elections. In a limited number of countries where accountability for assistance funds and competency in program implementation are assured, USAID also disburses aid directly to governments.

In countries where USAID has a field presence, staff are heavily engaged in policy dialogue, writing analytical documents, and monitoring project implementation—whether partners are from the private sector or affiliated with foreign governments. USAID also coordinates programs with other donors such as the United Nations, bilateral agencies, and the World Bank.

Partners*

USAID has a wide variety of partners that implement programs it funds, including

- *international nongovernmental organizations (international NGOs):* voluntary nonprofit organizations working internationally; includes organizations such as CARE, Catholic Relief Services, World Vision, and Save the Children
- *NGOs:* local NGOs based in developing countries
- *public international organizations (PIOs):* organizations whose membership is composed principally of governments (including the United States); includes UN agencies, the Committee of the International Red Cross, the World Bank, and regional development banks
- *PVOs:* U.S.-based, tax-exempt, nonprofit organizations operated primarily for service, charitable, scientific, or educational purposes and that use their net proceeds to maintain, improve, or expand their operations
- *contractors:* private companies in legally binding relationships to acquire (by purchase, lease, or barter) property or services for the U.S. government under a specified scope of work

* These definitions may be specific to USAID. For more information see www.usaid.gov/our_work/cross-cutting_programs/private_voluntary_cooperation/.

New Partnerships: The Global Development Alliance (GDA)

USAID established GDA in 2001 to promote public-private alliances that address international development challenges. Launched by Secretary of State Colin L. Powell, GDA strengthens the impact of U.S. development efforts by coordinating initiatives, activities, and resources of the public sector with those of the private sector. These partnerships, which often involve civil society organizations, stimulate economic growth, address health and environmental issues, and expand access to education and technology in the developing world.

USAID's Role

The reliance on partners does not mean that USAID is merely a "pass through" or contracting agency. *For all programs, staff are significantly involved in the following activities:*

- *influencing host-country policies through negotiations*
- *assessing needs for assistance through field visits, surveys, and interviews*
- *prioritizing types of programs to support by assessing requirements necessitated by policy, legislation, country needs, and funding availability*
- *monitoring program progress through site visits, reviewing implementers' reports, and meeting frequently with counterparts*
- *reporting to Washington, including to Congress.*

For grant funding, USAID's oversight is limited by federal statute.[2] Grants are provided with few "strings attached" to implementing agencies or grantees. However, in addition to the roles above, USAID still must evaluate grant

2 Federal Grant and Cooperative Agreement Act of 1977; OMB Circulars A- 21, 122, 133; 22 CFR 226.

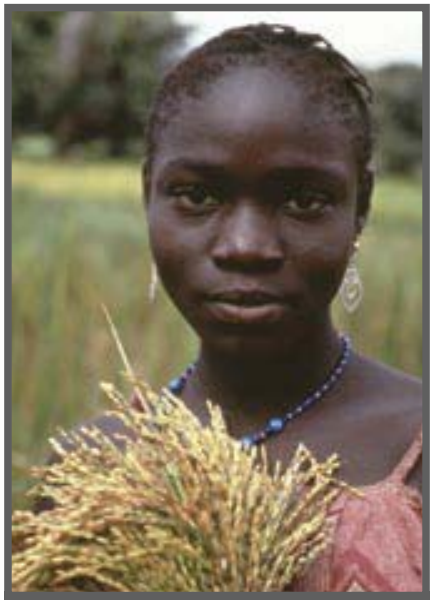
proposals before awards are made, and regular activity status reporting is required from grantees. Furthermore, funding beyond a defined time period is not guaranteed.

For contracts, USAID staff direct implementation of all aspects of a program. Contracts are legally binding relationships in which the principal purpose is to acquire (by purchase, lease, or barter) property or services for the direct benefit of the U.S. government. In managing contracts, USAID

- defines the exact type, scope, and location of the program by setting out the requirements in a request for proposals
- evaluates competing proposals through application of specific criteria
- provides funding, normally on an incremental basis
- identifies and approves individual tasks if the contract is a broad one, with flexibility built into it

For contracts, the Contracting Office designates a USAID officer (called a CTO) to administer the agreement and make certain that the contractor's performance conforms to the contract's technical requirements and quality standards. A single manager can coordinate with all parts of the U.S. government, the host-nation government, and others to ensure that the contractor undertakes priority tasks. Having more than one official directing the contractor opens the possibility for confusion, inefficiency, inappropriate areas of focus, and delays.

Underlying all these tasks is the importance of USAID's strong field presence. Field staff are essential for understanding the country's situation, determining which programs need to be implemented, and effectively managing the programs.



Curt Grimm, USAID

USAID funds research that improves crops and makes them more resistant to disease and drought.

USAID'S Engagement In Afghanistan, FY2003	
USAID expatriate staff	**75**
USAID foreign service national staff	**90**
Implementing agencies	**51**
Programs/funding – 8 contracts – Other mechanisms: 16 agreements	**$2.073 billion** (total) $1.260 billion $0.813 billion
USAID-funded positions in Afghan ministries	**208 positions** (total) 168 expatriate 40 national staff
Host-country nationals employed (USAID staff and USAID-funded ministry staff)	**130**

Managing Programs

The expatriate staff of USAID missions are only the tip of the iceberg of the Agency's field presence. Expatriate staff in the field manage a larger staff of locally recruited specialists—or USAID foreign service nationals—who range from technical experts (e.g., agronomists advising on agricultural programs) to support staff (e.g., accountants and administrative workers). USAID staff manage implementing partners (agencies receiving USAID funds) primarily through contracts and grants. These implementing partners, in turn, employ expatriate and national staff.

USAID operations in Afghanistan provide a useful example of USAID's expansive engagement (see chart this page).

RESPONDING TO CRISES

USAID is at the forefront of agencies around the world in its ability to respond to manmade and natural disasters. To complement this strength in disaster assistance, USAID promotes conflict prevention and encourages and assists the growth of democracy. By facilitating citizen participation and trust in government, USAID democracy efforts can help stop the violent internal conflicts that lead to destabilizing and costly displacement of people, anarchy, and the spread of disease. USAID's goal in fragile states is to advance stability, security, reform, and capacity. The agency recognizes that weak governance is typically at the heart of fragility.

USAID provides humanitarian assistance in response to two general types of disasters, natural and manmade. Natural disasters result from, for example, earthquakes, volcanoes, or hurricanes; manmade disasters may result from conflict, civil war, and (in some cases) improper natural resource use.

Responding to Disasters

As the U.S. government agency charged with providing humanitarian relief on behalf of the American people, USAID provides both short- and long-term humanitarian assistance. USAID's key humanitarian assistance approaches include

- having experts on the ground immediately after a disaster hits to assess damage and needs
- providing immediate relief to victims of natural disasters
- helping communities devastated by natural disasters and conflict rebuild by supporting projects in community infrastructure and services, as well as economic and agricultural reactivation (including employment and skills training)
- responding to the needs of specially disadvantaged groups—such as children and orphans, displaced persons, the disabled, and exploited youth—by providing basic and vocational education, psychological counseling, and physical rehabilitation (including prosthetics)
- developing local capacities in disaster planning and preparedness (including development of early warning systems)
- improving the lives of poor and hungry people by supporting integrated food security programs that address the underlying causes of poverty and malnutrition
- providing diverse kinds of assistance in response to complex emergencies
- integrating development and relief so that better development can aid in reducing the frequency and impact of shocks and better relief can reinforce development

With the end of the Cold War and the beginning of the War on Terrorism, countries across the globe have entered a period of dramatic change and transition needs. Whether in central Europe, Africa, Asia, or Latin America, authoritarian regimes have yielded to forces of democracy, ethnic and religious groups have vied for control over states, and other longstanding rivals have moved from the battlefield to the negotiating table. As the number of crises worldwide increases, USAID must be able to move quickly and effectively to meet transition opportunities and challenges.

Transitioning from Relief to Recovery and Growth

USAID's approach to transitioning has several areas of focus:

- developing response programming for transition: short-term, high-impact projects that increase momentum for peace, reconciliation, and reconstruction
- getting USAID staff on the ground swiftly to identify and act on what may be fleeting opportunities for systemic change

Global Fund to Fight AIDS, Tuberculosis, and Malaria.

The Kenya Network of Women with HIV/AIDS (KENWA) runs six drop-in centers and offers counseling, home-based care, and psychosocial support in some of the most deprived areas of Nairobi.

- promoting citizen security by helping to reintegrate ex-combatants and assisting internally displaced persons to move beyond subsistence and survival needs
- building foundations for democratic political processes by promoting the development of civil society, improved civilian and military relationships, the participation of marginalized populations in political decisionmaking, alternative voices in the media, local reconciliation efforts, and education of citizens about their human rights.

PL 480 Title II Food Commodities

USAID provides PL 480 Title II food commodities to people who are food-insecure and nutritionally vulnerable because of conflict or natural disasters. In addition to using food aid in emergencies, USAID also provides food in longer term development programs to help maintain food security and avert future emergencies. At the same time, the presence of Title II development multiyear programs in countries subject to recurring natural disasters or civil and economic crises provides a ready-made basis for rapid emergency responses.

Example: Responding to the Sudan Crisis

Since 1983, an estimated 2 million Sudanese have died as a result of the protracted conflict, drought, and famine. In the past year, however, several positive developments within Sudan have occurred, providing new opportunities to finally resolve Africa's longest war and move the country to a lasting peace. A partial list of USAID's response includes the following:

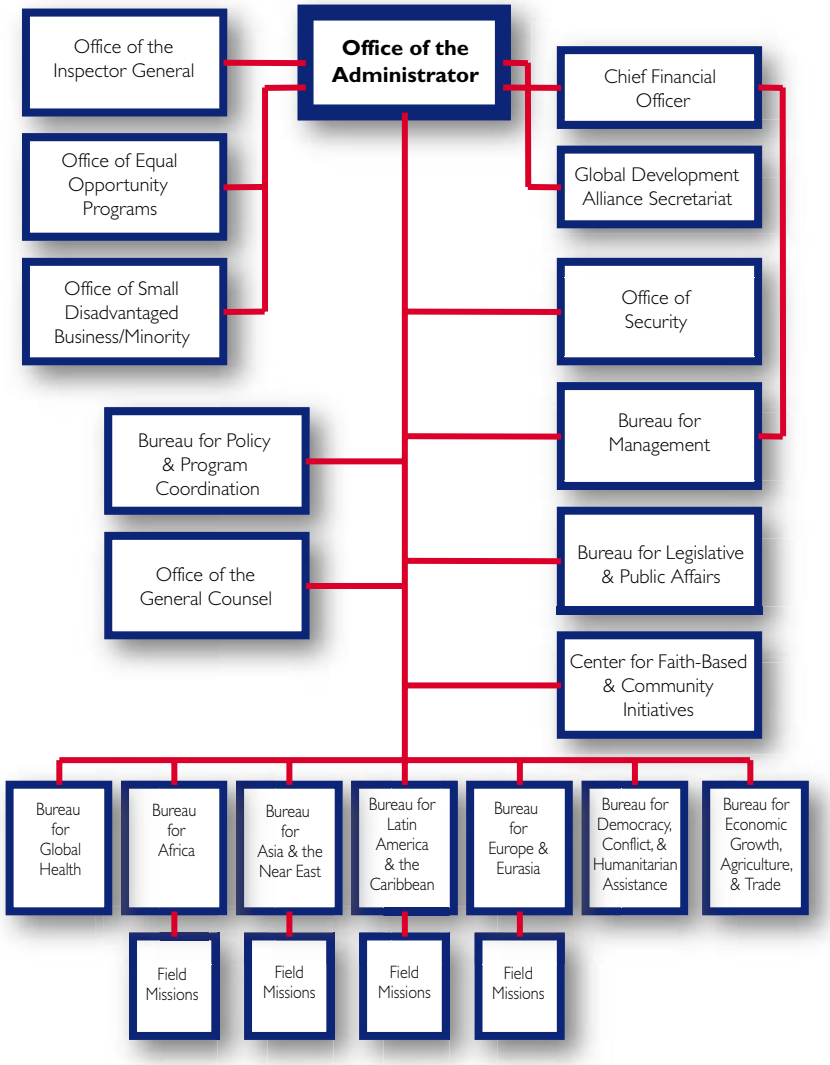
- *Provide emergency relief:* A USAID Disaster Assistance Response Team (DART) conducted on-the-ground assessments leading to the provision of humanitarian aid valued at $200.7 million in 2004 and $997.4 million (to date) in 2005, including health assistance, water and sanitation programs, emergency relief supplies, and over 185,000 metric tons of food.
- *Establish independent southern Sudan media:* The people of southern Sudan have limited access to balanced information; as a result, they are prey to biased reporting. The provision of balanced information is critical to expanding citizen participation in local governance. Building support for any peace agreement begins with balanced, reliable, easily accessible information. USAID fielded an assessment team to design initial media programming.
- *Foster demand for good governance:* Initial attempts to improve governance and strengthen the balance between leaders and citizens will have two components: strengthening the rule of law by increasing the independence and effectiveness of the judiciary, and increasing public demand for government accountability and transparency through support to local NGOs and other civil society organizations.
- *Provide rapid, flexible conflict resolution mechanism and tangible peace dividends:* USAID support for southern peace processes is crucial to the continued development of southern Sudan and will help address the preconditions for longer term development programming. Interventions in this area include timely transport of respected local and international conflict resolution experts to areas vulnerable to conflict, and implementation of priority projects to secure local-level peace agreements among citizens.

ORGANIZATIONAL STRUCTURE

Organizational Structure in Washington, D.C.

At its Washington, D.C., headquarters, USAID's mission is carried out through four regional bureaus: Africa, Asia and the Near East, Latin America and the Caribbean, and Europe and Eurasia. The regional bureaus are supported by three technical (or pillar) bureaus that provide expertise in democracy promotion, governance accountability, humanitarian assistance in times of crisis, economic growth incentives, trade opportunities, agricultural productivity and technology, and global health challenges such as maternal and child health and HIV/AIDS. The Bureau for Policy and Program Coordination provides overall policy guidance and program oversight. The Bureau for Management administers a centralized support services program for the Agency's worldwide operations. The Bureau for Legislative and Public Affairs develops and implements outreach programs to promote understanding of USAID's missions and programs. The secretariat for the Global Development Alliance operates across the four regional bureaus to support the development of public-private alliances. USAID also includes five offices that support the agency's security, business, compliance, and diversity initiatives. It also maintains a Center for Faith-Based and Community Initiatives.

USAID ORGANIZATION CHART



Organization Structure in the Field

USAID organizational units located overseas are known as "field missions." Full missions usually consist of 9–15 U.S. direct-hire (USDH) employees. They conduct USAID's major programs worldwide, managing a program of four or more strategic goals. Medium missions (5–8 USDH) manage a program of two to three goals, and small missions (3–4 USDH) manage one or two strategic goals. These missions provide assistance based on

USAID headquarters in the Ronald Reagan Building in Washington, D.C.

an integrated strategy that includes clearly defined program objectives and performance targets.

Regional support missions (typically 12–16 USDH), also known as regional hubs, provide a variety of services. The hubs retain a team of legal advisors, contracting and project design officers, and financial services managers to support small and medium-sized missions. In countries without integrated strategies, but where aid is necessary, regional missions work with NGOs to implement programs to facilitate the emergence of a civic society, help alleviate repression, meet basic human needs, or enhance food security. Regional missions can also have their own bilateral program of strategic goals to manage.

USAID missions operate under decentralized program authorities, allowing them to design and implement programs and negotiate and execute agreements. Mission directors and principal officers are delegated authority to

- conduct strategic planning and develop country strategic plans
- coordinate with other U.S. government agencies
- waive source, origin, and nationality requirements for procurement of goods and services
- negotiate, execute, and implement food aid agreements
- implement loan and credit programs

The director of USAID's Office of Acquisitions and Assistance issues warrants to contracting officers authorizing them to negotiate, execute, amend, and modify contracts, grants, and cooperative agreements. Executive officers are delegated authority to sign leases for real property.

The field mission workforce is typically composed of three major categories of personnel: USDH employees, U.S. personal services contractors (USPSCs), and foreign service nationals (FSNs). USDH are career foreign service employees assigned to missions for two- to four-year tours. USPSCs are contractors hired for up to five years to carry out a scope of work specified by USAID. FSNs, professionals recruited in their host countries by USAID, make up the core of the USAID workforce. Many FSNs, recognized leaders and experts in their fields, devote their careers to USAID. FSNs are the bridge to effective contacts with key host-country officials and decisionmakers, and they provide the institutional memory for and continuity of USAID's country programs. The U.S. ambassador serves as the chief of mission for all U.S. government agencies at post, and the USAID director reports to the ambassador.

Development, defense, and diplomacy are the three major components of the U.S. national security strategy. USAID, as the lead agency responsible for development planning and programming, thus plays a critical and lead role in the foreign policy arena. The USAID mission director is a key member of the country team, and is often called upon to stand in for the ambassador or the deputy chief of mission during their absences.

FORCE STRUCTURE

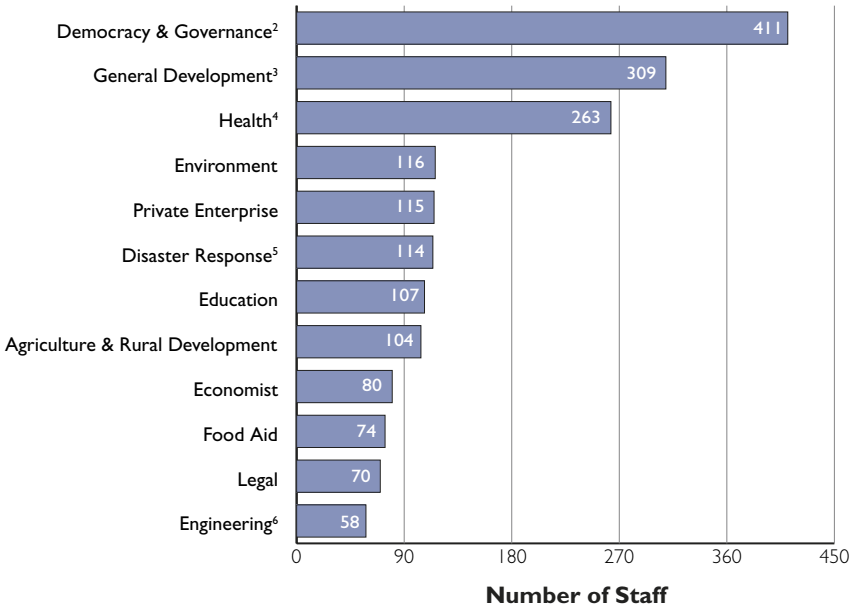
USAID's workforce is made up of direct-hire and contract employees based in the United States and at bilateral and regional missions overseas. The main categories of personnel are described below. The figures cited are drawn from the monthly workforce report dated September 30, 2004.

USAID direct-hire (USDH) employees: There are 2,227 USDH employees. Of these, 1,132 are General Schedule (GS) employees based in Washington. The remaining 1,095 are officers of the foreign service (FSOs), who spend most of their careers overseas, serving two to four years at field missions and periodically returning to Washington.

Foreign service national (FSN) employees: FSNs, professionals recruited in their host countries by USAID, are the core of the agency's workforce. Many FSNs, recognized leaders and experts in their fields, devote their careers to USAID. FSNs are the bridge to effective contacts with key host-country officials and decisionmakers and the institutional memory of USAID's country programs. USAID employs 4,966 FSNs.

Personal services contractors (USPSC): A personal services contract is one in which characteristics of an employer-employee relationship exist between USAID and the employee. USPSCs are hired to fulfill specific tasks or responsibilities over a period of time specified in the contract. USAID has 624 USPSCs, of which 495 (80 percent) are based overseas.

USAID STAFF BY TECHNICAL EXPERTISE[1]



Notes:
1. Includes FSOs, FSNs, U.S. civil service, and USPSCs with a contract of two or more years.
2. 301 (73 percent) of the democracy and governance officers are FSNs.
3. 263 (85 percent) of the general development officers (expertise or experience in two or more technical areas) are FSNs.
4. To augment its health sector expertise, USAID hires health officers through time-limited fellows and scholar programs.
5. Disaster response officers include disaster operations specialists, logistics specialists, field program managers, emergency Food for Peace officers, and democracy, conflict, and humanitarian assistance country program representatives.
6. 42 (72 percent) of the engineers are FSNs.

Resources Support Service Agreement (RSSA) and Participating Agency Service Agreement (PASA): USAID obtains 164 employees from other federal agencies using RSSA and PASA mechanisms. Of these, 85 percent are based in Washington.

Other categories of personnel: USAID employs a number of other mechanisms with universities, commercial firms, and nonprofit institutions to provide expertise or program support. These mechanisms provide 136 staff, of whom 74 percent are based in Washington.

Personnel Backstops and Career Tracks

USAID's 2,227 civil service and foreign service employees, working in Washington and overseas, provided support to 100 countries in 2004.

These programs focus on

- promoting economic growth and trade

Thirty-nine new foreign service officers pose with Administrator Andrew S. Natsios, who swore them in March 8, 2004. Nine were accepted under the International Development Intern (IDI) program, while the remainder are midcareer New Entry Professionals (NEPs).

- supporting agriculture and the environment
- expanding education and training
- fostering democracy and governance
- advancing global health
- cultivating global partnerships
- providing humanitarian assistance

Of the 1,095 FSOs, 672 (67 percent) are assigned to bilateral or regional missions (operating units) overseas. The numbers and categories of FSOs assigned to each mission reflects the mission's strategic priorities and funding levels. FSOs are recruited for and assigned to "backstops," or occupational categories, that reflect their training and technical expertise. Each of these backstops falls under one of three categories: management, program operations and support, or technical.

Management backstops include mission director, deputy director, and program officer. These backstops lead strategic planning and program development across all sectors of a developing country program. They are responsible for developing and managing the country strategic plan and budget, coordinating program reporting, program-wide evaluation, donor coordination, and public outreach.

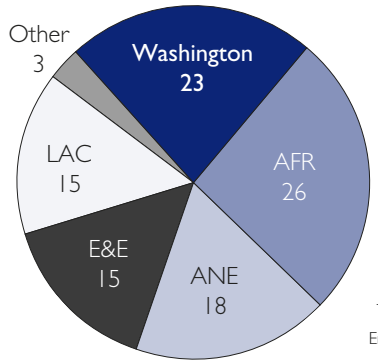
Program operations and support backstops include executive officer, controller, legal advisor, contracting officer, and secretary. Support personnel provide agency-specific guidance on financial, legal, contracting, and administrative management issues, and they support the day-to-day operations of missions and development assistance programs.

The 12 technical backstops that USAID recruits against include areas such as democracy and governance, disaster response, health, private enterprise, agriculture, environment, and education (see chart on page 29). A technical officer is responsible for the development, oversight, management, and evaluation of programs and activities within a sector or sectors. Technical officers advise the mission director and staff on all matters pertaining to policy and operation of sector programs, work with host-country officials to identify priorities for assistance, collaborate on sector analyses and project designs, and direct or advise on the preparation of project documentation.

Most FS employees join the agency through the entry-level International Development Intern (IDI) training program or the mid-level New Entry Professional (NEP) training program. IDI and NEP selection is targeted to identify and recruit the categories of skills required to manage the Agency's field programs and meet its strategic priorities, now and in the future.

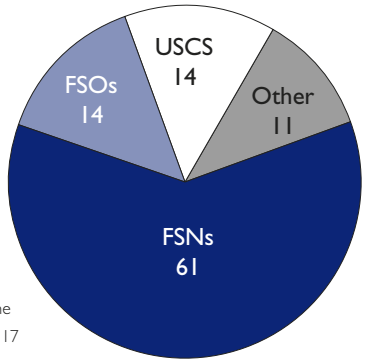
WORKFORCE LOCATION: FULL-TIME EMPLOYEES

September 30, 2004, in percent



WORKFORCE COMPOSITION: FULL-TIME EMPLOYEES

September 30, 2004, in percent



Total Full-Time Employees: 8,117

PROFILES OF USAID

Protecting Egypt's Red Sea

In late 2000, FSO Holly Ferrette, a natural resources officer assigned to USAID's field mission in Cairo, Egypt, took charge of the environmental challenge of protecting the Red Sea, a component of USAID/Egypt's five-year, $170 million Egyptian Environmental Policy Program. With no sound environmental policies in place, the high volume of tourists visiting the coastal areas along the Red Sea was causing serious damage to the coral reefs and other marine and wildlife populations.

By 2004, Ferrette and her team had persuaded the ministries of Environment and Tourism and the Red Sea Governorate to adopt sustainable environment policies and to declare a large portion of the southern Red Sea coast a national park and ecotourism development zone. The declaration recognized that economic development and protection of natural resources can coexist. Ferrette also secured the approval of the prime minister to impose fees for use of Red Sea marine resources. The revenue generated is used to supplement coastal conservation management.

Holly Ferrette

On the ground, projects carried out by Ms. Ferrette and her team included

- assisting in developing management plans for vulnerable wildlife in the newly established Wadi el-Gemal National Park
- equipping park rangers to safely and effectively carry out their duties in this remote part of Egypt
- encouraging tourist facilities to adopt environmental management systems that both save money and protect the environment
- supporting campaigns to promote the protection and sustainable use of the coastal area

Assisting with Earthquake Recovery in El Salvador

After two devastating earthquakes in January and February 2001, FSN Rosa Maura Mayorga spent the next three and a half years managing USAID's $135 million reconstruction program, which helped rebuild rural housing, health clinics, schools, public markets, and other municipal buildings. Mayorga was the team leader for the Earthquake Recovery Program, working out of USAID's field mission in San Salvador, El Salvador.

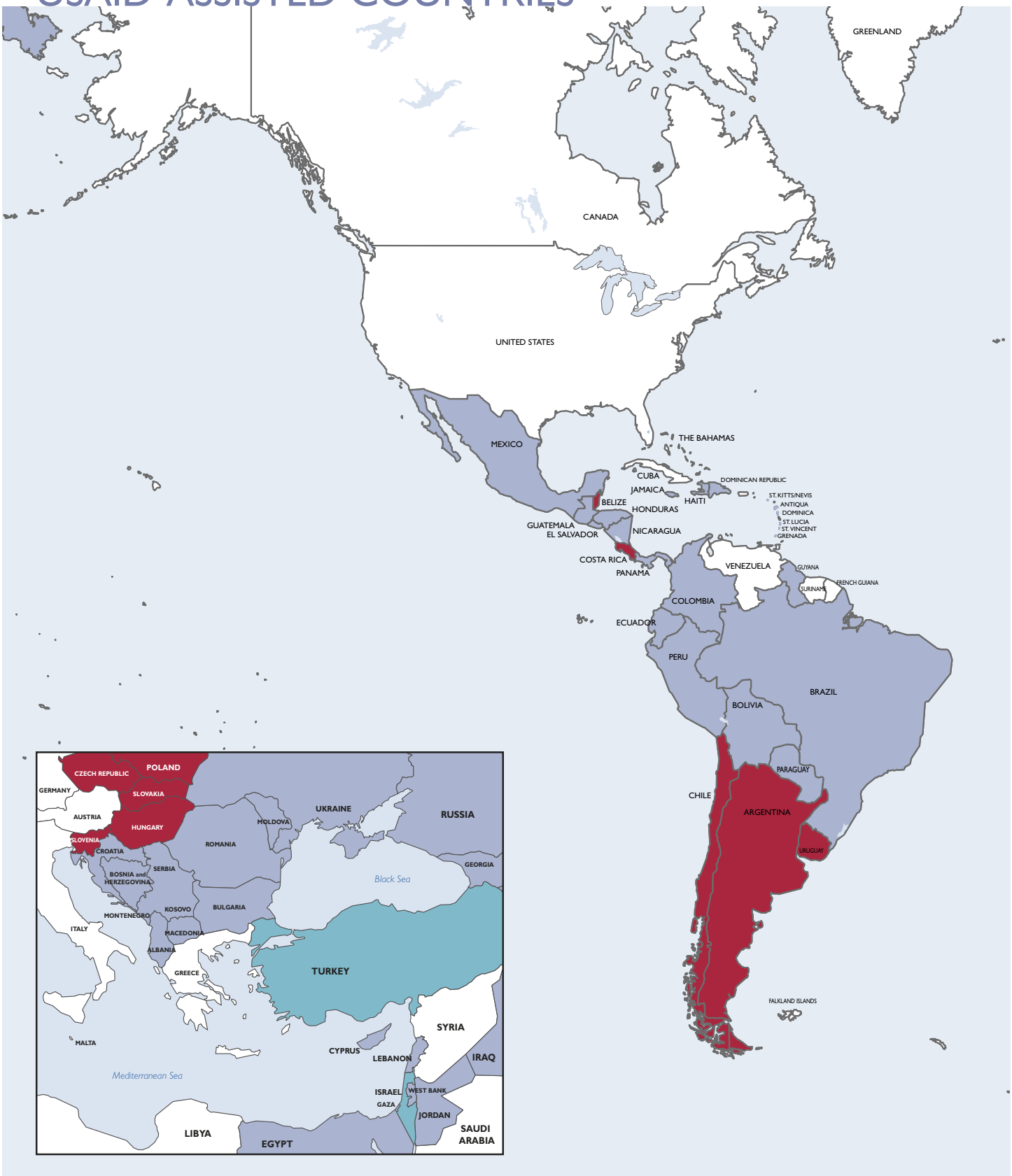
Before reconstruction could commence, Mayorga and her team needed to consult closely with the Salvadorian government to legalize and secure land titles for thousands of displaced families. In El Salvador, as in many developing countries, rural communities use a variety of informal and unregistered titles, and many landowners lack adequate legal documentation.

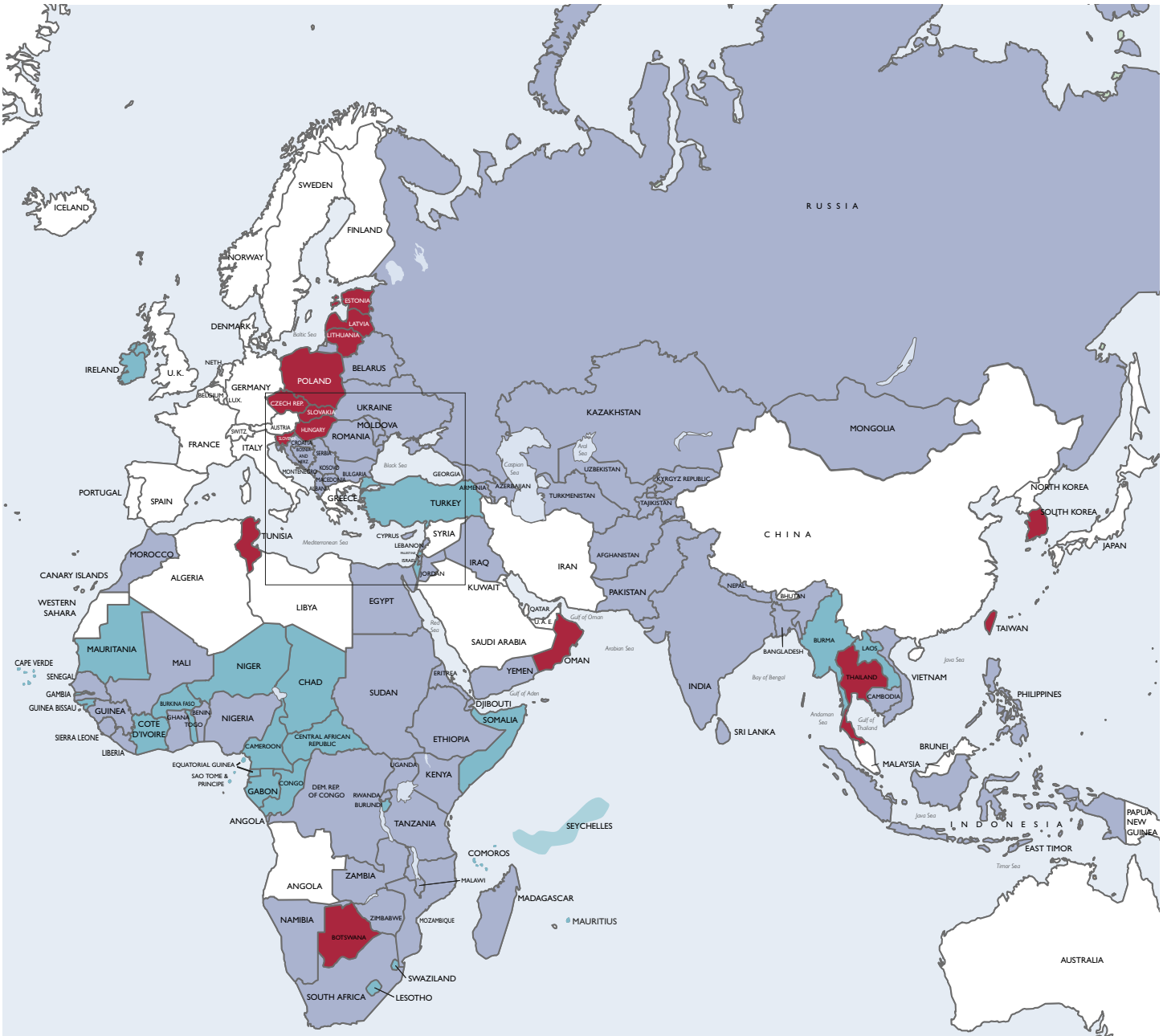
Rosa Maura Mayorga

The program, which ended in January 2005, has built nearly 27,000 new homes for people left homeless by the earthquakes. Mark Carrato, the desk officer who backstops USAID/El Salvador in Washington, credits Mayorga with providing many creative solutions to the array of challenges.

Mayorga has worked on disaster and emergency programs for USAID/El Salvador for 16 years, including a national reconstruction program following the country's civil war and the cleanup and rebuilding after 1998's Hurricane Mitch.

USAID-ASSISTED COUNTRIES





USAID assisted: Country has integrated assistance program of development objectives and performance measures

Limited USAID assistance: Country receives support through a regional program, usually for a specific purpose and with the work often carried out by nongovernmental organizations; also includes countries where assistance is provided through cash transfers to governments

Graduated from assistance (since 1965): Country "graduated" when USAID development objectives were met; a few graduated countries continue to receive some form of assistance

Other countries assisted (not shown): Humanitarian assistance in the form of food aid is provided to North Korea in times of crisis; Algeria receives information technology assistance; Venezuela is part of a regional trade program; and an HIV/AIDS program and support to Tibetan communities are carried out in China

USAID-ASSISTED COUNTRIES & REGIONAL PROGRAMS

SUB-SAHARAN AFRICA

Angola (Luanda)
Benin (Cotonou)
Dem. Rep. of the Congo (Kinshasa)
Djibouti (Nairobi)
Eritrea (Asmara)
Ethiopia (Addis Ababa)
Ghana (Accra)
Guinea (Conakry)
Kenya (Nairobi)
Liberia (Monrovia)
Madagascar (Antananarivo)
Malawi (Lilongwe)
Mali (Bamako)
Mozambique (Maputo)
Namibia (Windhoek)
Nigeria (Abuja)
Rwanda (Kigali)
Senegal (Dakar)
Sierra Leone (Conakry)
South Africa (Pretoria)
Sudan (Nairobi)
Tanzania (Dar es Salaam)
Uganda (Kampala)
Zambia (Lusaka)
Zimbabwe (Harare)

Graduated
Botswana

Regional Center for Southern Africa (RCSA), Gaborone, Botswana. *Serves Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia, and Zimbabwe*

Regional Economic Development Support Office (REDSO), Nairobi, Kenya. *Serves Angola, Burundi, Central African Republic, Comoros, Dem. Rep. of the Congo, Djibouti, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Republic of the Congo, Rwanda, Seychelles, Somalia, South Africa, Sudan, Tanzania, Uganda, Zambia, and Zimbabwe*

West Africa Regional Program (WARP), Accra, Ghana. *Serves Benin, Burkina Faso, Cameroon, Cape Verde, Chad, Côte d'Ivoire, The Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, São Tomé and Príncipe, and Togo*

ASIA AND NEAR EAST

Afghanistan (Kabul)
Bangladesh (Dhaka)
Cambodia (Phnom Penh)
East Timor (Dili)
Egypt (Cairo)
India (New Delhi)
Indonesia (Jakarta)
Iraq (Baghdad)
Jordan (Amman)
Lebanon (Beirut)
Mongolia (Ulaanbaatar)
Morocco (Rabat)
Nepal (Kathmandu)
Pakistan (Islamabad)
Philippines (Manila)
Sri Lanka (Colombo)
Vietnam (Hanoi)
Yemen (Sanaa)

Graduated
Oman
South Korea
Thailand
Tunisia
Taiwan

Office of Middle East Programs, Cairo, Egypt. *Serves Lebanon, Morocco, and Yemen*

Regional Development Mission for Asia (RDMA), Bangkok, Thailand. *Serves Burma, China, Laos, Thailand, and Vietnam.*

EUROPE AND EURASIA

Albania (Tirana)
Armenia (Yerevan)
Azerbaijan (Tbilisi)
Belarus (Kiev)
Bosnia-Herzegovina (Sarajevo)
Bulgaria (Sofia)
Croatia (Zagreb)
Cyprus (Nicosia)
Georgia (Tbilisi)
Kazakhstan (Almaty)
Kosovo (Pristina)
The Kyrgyz Rep. (Almaty)
Macedonia (Skopje)
Moldova (Kiev)
Montenegro (Belgrade)
Romania (Bucharest)
Russia (Moscow)
Serbia (Belgrade)
Tajikistan (Almaty)
Turkmenistan (Almaty)
Uzbekistan (Almaty)
Ukraine (Kiev)

Graduated
Czech Republic
Estonia
Hungary
Latvia
Lithuania
Poland
Slovenia
Slovakia

Central Asia Republics, Almaty, Kazakhstan. *Serves Kazakhstan, The Kyrgyz Rep., Tajikistan, Turkmenistan, and Uzbekistan*

Regional Mission for the Caucasus, Tbilisi, Georgia. *Serves Azerbaijan and Georgia*

Regional Service Center (RCS), Budapest, Hungary. *Serves Albania, Bosnia-Herzegovina, Bulgaria, Croatia, Kosovo, Macedonia, Romania, Serbia, and Montenegro*

Regional Mission to Belarus, Moldova, and Ukraine, Kiev, Ukraine. *Serves Belarus, Moldova, and Ukraine*

LATIN AMERICA AND CARIBBEAN

Bolivia (La Paz)
Brazil (Brasilia)
Colombia (Bogotá)
Dominican Rep. (Santo Domingo)
Ecuador (Quitó)
El Salvador (San Salvador)
Guatemala (Guatemala City)
Guyana (Georgetown)
Haiti (Port-au-Prince)
Honduras (Tegucigalpa)
Jamaica (Kingston)
Mexico (Mexico City)
Nicaragua (Managua)
Panama (Panama City)
Paraguay (Asunción)
Peru (Lima)

Graduated
Argentina
Belize
Chile
Costa Rica
Uruguay

Caribbean Regional Program (J-CAR), Kingston, Jamaica with branch office in Bridgetown, Barbados. *Serves Antiqua, Dominica, Grenada, St. Kitts-Nevis, St. Lucia, and St. Vincent and the Grenadines*

Central America and Mexico Regional Program (E-CAM)[3], San Salvador, El Salvador. *Serves Belize, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, and Panama*

South American Regional Program (P-SAR), Lima, Peru. *A trade program serving Bolivia, Colombia, Ecuador, Peru, and Venezuela*

3 During 2005 the regional mission in Guatemala (G-CAP) will relocate to El Salvador as the Central America and Mexico Program Regional Program (E-CAM).

PRESIDENTIAL INITIATIVES

During his first term, President Bush announced 19 international development initiatives that are implemented, in whole or in part, by USAID.

The *Afghanistan Road Initiative* is reconstructing Afghanistan's major highways and improving economic growth, security, and political integration along the corridor linking three of Afghanistan's largest cities—Kabul, Kandahar, and Herat.

The *Africa Education Initiative* increases access to quality basic educational opportunities in Africa through teacher training, textbooks, community support, and scholarships to girls.

The *Centers for Excellence in Teacher Training* work in Latin America and the Caribbean to improve the quality of classroom-reading instruction in grades 1–3. The initiative targets poorer countries and disadvantaged communities.

Under the *Central American Free Trade Agreement Initiative*, USAID partners with the Office of the U.S. Trade Representative to provide technical assistance and training to build the trade capacity of governments and the private sector in Central America.

The *Clean Energy Initiative* works to increase access to efficient and affordable energy services in underserved areas and to promote cleaner transportation fuels and indoor cooking and heating practices.

Asmeret Tesfamariam, USAID/Eritrea

Under the Water for the Poor Initiative, USAID funded projects that provide clean, safe water to Eritrean families.

The *Climate Change Program* promotes climate-friendly economic development and improves the resilience of vulnerable populations and ecosystems.

The *Congo Basin Forest Partnership* mitigates deforestation and biodiversity loss in key landscapes in the Congo Basin.

The *Digital Freedom Initiative* promotes economic growth by transferring the benefits of information and communication technology to entrepreneurs and small businesses.

The *Faith-Based and Community Initiatives* reach out to faith- and community-based organizations to increase their knowledge of and access to U.S. government funding sources.

The *Global Fund to Fight AIDS, Tuberculosis, and Malaria* is an international public-private partnership created to increase available resources to fight three of the world's most devastating diseases. The United States is the Global Fund's largest single-country donor.

The *Initiative to End Hunger in Africa* seeks to reduce hunger in Africa by half by 2015, in keeping with the first Millennium Development Goal of the United Nations.

Grafix Design S.L.

Centers for Excellence in Teacher Training in Latin America and the Caribbean are improving the quality of reading instruction in grades 1–3.

The *Middle East Partnership Initiative (MEPI)* establishes a framework for realigning U.S. assistance programs to the Middle East and North Africa. MEPI works cooperatively with governments and people to promote key economic, political, and educational reform issues and to reduce barriers to women's full participation in society.

The *Millennium Challenge Account (MCA)* provides development assistance to countries that rule justly, invest in their people, and encourage economic freedom. There is also a threshold program that assists a limited number of countries that did not meet MCA eligibility criteria but are committed to reform and improving performance for future eligibility. MCA is administered by the Millennium Challenge Corporation, a new government corporation designed to support innovative strategies and to ensure accountability for measurable results.

The *President's Emergency Plan for AIDS Relief,* a five-year, $15 billion, multifaceted approach to combating HIV/AIDS, is the largest commitment ever by a single nation to an international health initiative. The U.S. government is working with international, national, and local leaders worldwide to promote integrated prevention, treatment, and care programs, with an urgent focus on 15 countries that are among the most afflicted by the disease.

The *President's Initiative Against Illegal Logging*, coordinated by the Department of State, assists developing countries in their efforts to combat illegal logging—including the sale and export of illegally harvested timber—and corruption in the forest sector.

The *Trade for African Development and Enterprise* initiative strengthens the ability of African companies and businesses to expand regional and international trade, improves the enabling environment for business and trade, and helps countries mainstream trade into their development agendas.

The *Trafficking in Persons Initiative* seeks to rehabilitate women and children who have been exploited. It combats trafficking through prevention, protection, and prosecution.

Volunteers for Prosperity deploys highly skilled volunteers in official U.S. foreign assistance programs that advance health and prosperity. USAID is the interagency coordinator for the initiative.

The *Water for the Poor Initiative* accelerates and expands international efforts to halve by 2015 the proportion of people around the world who lack access to affordable safe drinking water and basic sanitation.

U.S. Agency for International Development

The U.S. Agency for International Development (USAID) is an independent federal agency that receives overall foreign policy guidance from the Secretary of State. For more than 40 years, USAID has been the principal U.S. agency to extend assistance to countries recovering from disaster, trying to escape poverty, and engaging in democratic reforms.

USAID supports long-term and equitable economic growth and advances U.S. foreign policy objectives by supporting

- economic growth, agriculture, and trade
- global health
- democracy, conflict prevention, and humanitarian assistance

The Agency's strength is its field offices located in four regions of the world:

- Sub-Saharan Africa
- Asia and the Near East
- Latin America and the Caribbean
- Europe and Eurasia

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