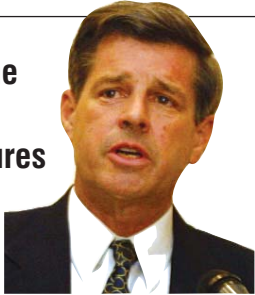


# FRONT LINES



U.S. Agency for International Development Employee News

“I’ve seen the shocking and haunting pictures of mass graves ... It is my responsibility ... to help the Iraqi people turn Iraq into a stable, safe, peaceful and prosperous country.”



L. PAUL “JERRY” BREMER  
Administrator, Coalition Provisional Authority  
Baghdad, May 15

## Afghan Update

With surprisingly little fanfare, over 2 million Afghans have returned to their homes since January, 2002, in what some call the largest voluntary population movement in recent world history. Largely ignored by the world press, 1.5 million refugees returned from Pakistan, 390,000 refugees came home from Iran, and 600,000 internally displaced people went back to their homes.

The presence of U.S. security forces and U.S. and international aid apparently reassured refugees that it was safe to return home after years in exile.

U.S. relief and development aid to the Afghans since the American military helped oust the Taliban regime has totaled \$1.081 billion.

▼ SEE AFGHAN UPDATE ON PAGE 16

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## USAID Shifts Focus as Crisis Fears Fade

USAID prepared for the worst possible humanitarian crisis in Iraq, after U.N. warnings that 2 million Iraqis might flee a war and millions more might need emergency relief.

But the crisis never came. Within weeks of the end of hostilities, U.S. military and civilian teams as well as other international aid groups began restoring water, electricity, healthcare, and other basics—in some cases surpassing preconflict levels.

Apparently believing that U.S. troops did not threaten them directly, most Iraqis decided not to flee, while thousands of refugees from Saddam’s regime returned home.

“There is relief that the severity of the crisis we prepared for did not arise,” said Donald Tighe, spokesman for USAID’s Disaster Assistance Response Team (DART).

The DART continues to fund water, healthcare, and food assistance, but is now turning to transition activities such as re-equipping looted ministries and rehabilitating schools and municipal structures.

“We will be continuing to focus on food and increasing our focus on the transition to democracy,” said Tighe. “This is a luxury we usually don’t have when responding to humanitarian crises.”

USAID reconstruction work has also begun with major contracts signed for fixing seaports, roads, bridges, schools, clinics, and airports. USAID is also rehabilitating water, sanitation, and power plants, getting the educational system up and running, establishing the foundations for neighborhood councils, and providing small grants for Iraqi organizations.

Total USAID assistance to Iraq in 2003 reached \$579 million by May 30, with another \$36 million provided by the State Department.

Security conditions finally improved in May, allowing aid workers to travel throughout Iraq. DART teams have been placed in Arbil, Al Hillah, Basra, and Baghdad. They visit hospitals, schools, villages, water systems, power plants, and other sites to make assessments and arrange to supply aid, if needed.

“We are still careful,” said Tighe. “But I

▼ SEE USAID FOCUS ON PAGE 8

### IRAQ RECONSTRUCTION



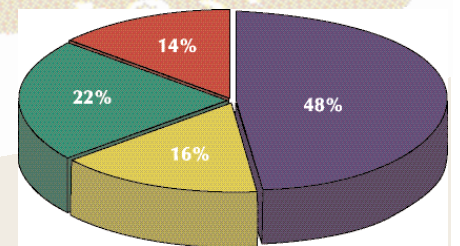
Thomas Hartwell, USAID

New Iraqi newspapers have begun to be published after years of domination by the former regime.

▼ SEE IRAQ RECONSTRUCTION ON PAGES 8–9

### WHO ARE USAID’S PARTNERS?

- Nonprofit
- For profit
- Cash transfers to other governments
- Obligations and transfers to USG agencies



Estimated percentages based on FY 2002 transfers and procurements

Source: USAID Bureau for Management and Bureau for Program and Policy Coordination.

## Agency PMA Scores Improve: Three Greens

For the first time, USAID received “green” progress scores for the goals related to electronic government and financial management in the latest President’s Management Agenda (PMA) quarterly scorecard.

The scores in these two areas moved from yellow to green on the traffic light-style grading system devised by the Bush administration to gauge agencies’ efforts to make government more effective and efficient. Under the PMA, agencies are periodically graded on their efforts to improve human capital, competitive sourcing, electronic government, financial management, and integrating performance measures into the budget process.

John Marshall, Assistant Administrator for Management, stated that the Business Transformation Executive Committee (BTEC) has been “instrumental in our efforts to meet the goals of the PMA because Agency senior executive-level involvement is critical to management reform.”

▼ SEE AGENCY PMA SCORES ON PAGE 16

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CUBAN  
PRISONERS

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# American Schools and Hospitals Abroad Get Aid for U.S.-Style Teaching, Research

The American University of Beirut (AUB), the American University of Cairo (AUC), and many other schools and hospitals in the Middle East and around the world have long benefited from USAID grants to support U.S.-style teaching and health services. In FY 2003, ASHA will award \$18 million in grants.

Most staff, students, and patients at these institutions are not U.S. citizens, but many of their teachers and doctors have studied in the United States. The schools and hospitals demonstrate U.S.-style education and medicine while preparing future leaders in the developing world.

The American Schools and Hospitals Abroad (ASHA) program is older than USAID. In 1957, Senator J. William

Fulbright, frustrated with the lack of funding for U.S. schools overseas, created ASHA through Section 214 of the Foreign Assistance Act.

When USAID was created in 1961, it took over ASHA. At that time, it was one of several U.S. government programs administered by the State Department that provided assistance to schools abroad.

ASHA's purpose is to support the ability of overseas institutions to demonstrate U.S. ideas and practices. Eligibility requirements are tightly defined. Eligible institutions include secondary schools and institutions of higher learning, hospital centers that engage in education and research and libraries that include a collection of U.S. books or periodicals.

The ASHA office, now part of the Bureau for Democracy, Conflict, and Humanitarian Assistance, accepts applications every June for grants that are awarded the next fiscal year. A review committee that includes outside experts ranks the proposals.

Within USAID, staff worked to harmonize ASHA's chief purpose of supporting centers of U.S. culture overseas with the Agency's development mission.

Many of the schools, libraries, and hospitals offer opportunities and services that had not existed. USAID also encourages ASHA-supported institutions to lend their resources and talents to serving wider community needs. ★

## KEY CRITERIA FOR ASHA GRANTS

- ◆ Application must be sponsored by a U.S.-based, private organization
  - ◆ Institution must be located outside of the United States, and not controlled or managed by a government agency
  - ◆ Most teachers and trained staff must be U.S. citizens or U.S.-trained
  - ◆ Most students or patients must not be from the United States
  - ◆ Institution must be open to all, without regard for race, religion, sex, or nationality
- [www.usaid.gov/asha/grant.htm](http://www.usaid.gov/asha/grant.htm)

## HONDURAS SCHOOL TRAINS AGRICULTURE MINISTERS

**ZAMORANO, Honduras**—Since 1943, the Panamerican Agricultural School (Escuela Agrícola Panamericana) in the Zamorano Valley northeast of Tegucigalpa, Honduras, has graduated 4,780 students from 25 countries. More than 30 graduates have served as ministers of agriculture, natural resources, and finance in the Americas.

ASHA has supported the school by constructing and renovating its facilities, including faculty housing and a dairy science laboratory. The program also financed telecommunications equipment and information technology investments, as well as the repair of the school's water management system after Hurricane Mitch swept through Honduras.

The school adopted a full, four-year undergraduate program in 1999.

Students complete a two-year core curriculum to learn basic skills before specializing in one of four career paths: agricultural production, agribusiness, agro-industry, or socioeconomic development and environment.

A project of USAID's Association Liaison Office recently funded University of Maryland students to spend a month on the campus. They worked alongside fourth-year Zamorano students on applied research projects.

The school, which currently enrolls 815 students, has agreements that allow its graduates to receive in-state tuition rates at the University of Florida, Louisiana State University, and Kansas State University. More than half of Zamorano's graduates continue their studies in the United States. ★



The Panamerican Agricultural School (Escuela Agrícola Panamericana) in the Zamorano Valley, Honduras, one of the many educational institutions supported by USAID's American Schools and Hospitals Abroad (ASHA) program

## AMERICAN UNIVERSITY OF BEIRUT: A FIRST ASHA GRANTEE

**BEIRUT**—The American University of Beirut (AUB)—one of the most prestigious institutions of higher education in the Middle East—was originally chartered by the State of New York in 1863 and is one of the original grantees of ASHA. It is one of the institutions that has benefited the most during ASHA's 46-year history.

AUB has awarded more than 40,000 degrees since its founding. More than 5,000 students are currently enrolled from 59 countries, 94 percent of which are Arabic-speaking. Approximately 81 percent of the students are Lebanese.

U.S. textbooks and teaching techniques are used throughout the university and most of its faculty holds U.S. degrees. The 80-building campus spreads out over 72 acres. Five faculties—arts and sciences, medicine, engineering and architecture, agriculture, and health sciences—offer a wide array of academic and professional pursuits.

ASHA has helped AUB acquire medical and science equipment; obtain internet access; modernize its research, teaching, and administrative facilities; and improve security. ★

## ASHA ASSISTS ZIMBABWE'S FIRST PRIVATE UNIVERSITY

**MUTARE, Zimbabwe**—Founded in 1992, Africa University is the first private university in Zimbabwe and is sponsored by the General Board of Higher Education and Ministry of the United Methodist Church. Almost 900 students from 18 African countries currently attend.

ASHA built and equipped the library and telecommunications center, and financed the design, construction, and equipment of the College of Agriculture and Natural Resources building.

Approximately half of Africa University's students live on its 1,500-acre

campus, located in Zimbabwe's eastern highland. They can choose from bachelor's degrees in agriculture, education, management, social sciences, and theology, or from two master's programs. The College of Management and Administration regularly holds workshops and seminars for local and regional businesses.

The university is following the U.S. land grant educational formula closely, and is developing modern methodologies in agriculture on experimental farms. The University of Maryland and Purdue University are helping. ★

## HOSPITAL IN INDIA BRINGS CARE TO VILLAGES

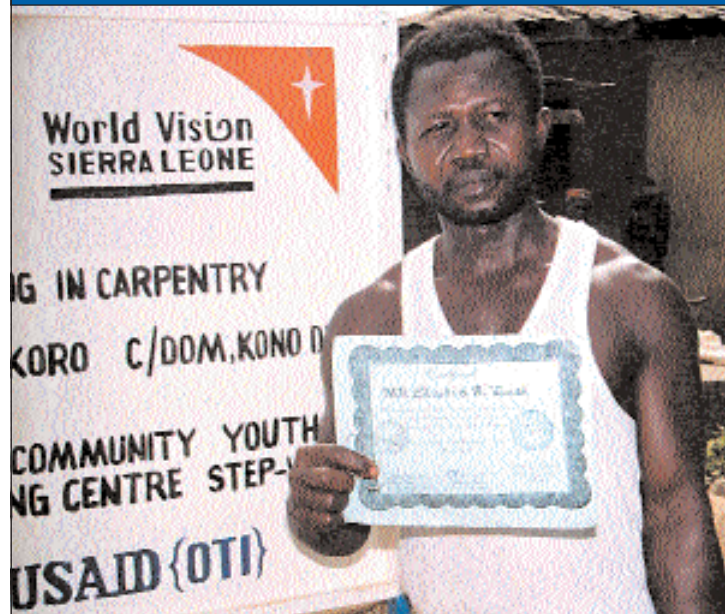
**PUNE, India**—King Edward Memorial Hospital provides medical care, research, and education under one roof. Starting as a small dispensary in 1912, the 442-bed general hospital also serves as a teaching hospital for primary healthcare workers and doctors.

The hospital, located in Pune, a city near Bombay, has long specialized in maternal and child health. It engages in research and runs a rehabilitation and physiotherapy center, as well as a 250-bed nursing home. Its medical school operates

an outreach program that trains workers to bring health information to 300,000 people in villages within 60 miles of Pune.

ASHA gave its first grant to King Edward in 1997. ASHA grants have allowed the hospital to expand and equip its research facilities. Along with financing basic equipment and supplies used by village health workers, ASHA has supported the integration of U.S. medical technology and practices into the hospital's care and training. ★

## FIRST PERSON



“This is really a war-torn area, and getting money is very difficult. Instead of war, war, war, I thought, why don’t we do something that can help ourselves? The Education for Peace training revived the idea [of my becoming a carpenter]. Our family is much happier now that we’re back in the rural area. Little by little, we are getting by. I’ve started this business, we have enough to eat, and the children are growing up well.”

AIAH JOSIAH

Laura Lartigue, USAID

Aiah Josiah shows off the certificate he earned at the USAID-sponsored Education for Peace program, where he got the idea of teaching his carpentry skills to local ex-combatant youth. He is now manager of carpentry at the Community Youth Training Center in Yengema, Sierra Leone. The war that caused Josiah to abandon plans to become a carpenter and flee his village created thousands of unemployed ex-combatants who lack skills to carry on economic activities. The Education for Peace training program helps them learn such skills and contribute to the rebuilding of their communities.

## Mission of the Month

### INDONESIA

#### The Challenge

About 5 million acres of Indonesia’s forests are logged each year. Some 70 percent of that logging is illegal. This costs the Indonesian government about \$1 billion in taxes and revenues, to say nothing of the huge environmental loss. Much of the logging is driven by the demand for timber and pulp.

The livelihoods of about 30 million people depend on Indonesia’s forests, which are among the most biodiverse in the world.

#### Innovative USAID Program

USAID/Indonesia built an alliance of governments, businesses, and local and international NGOs to simultaneously address illegal logging and market interests.

The alliance aims to increase the supply of Indonesian wood products from well-managed forests, demonstrate practical ways to differentiate legal and illegal supplies on the islands of Java, Sumatra, and Borneo, and strengthen market signals to combat illegal logging. Secondary aims are to reduce access to financing and investment funds for companies engaged in destructive or illegal logging and to share lessons learned with other forested nations.

The Nature Conservancy and the World Wildlife Fund Indonesia are coordinating the alliance, which includes Global Forest Watch, the World Resources Institute, the Tropical Forest Foundation, the Tropical Forest Trust, the Center for International Forestry Research, the U.S. and Indonesian governments, 17 companies, and numerous local NGOs.

Ron Jarvis, Home Depot’s Vice



Illegal logging in Indonesia.

President of Merchandising, said that his firm contributed \$1 million in November 2002 toward the alliance—a contribution he characterized as “doing the right thing.”

USAID-funded NGOs will assist retail companies in sourcing “good wood” products. Such “green” sourcing policies act as an incentive for Indonesians to provide legal wood products. To gain preferential access to North America and Europe, available only for legally harvested wood, furniture and other wood product companies in Asia are seeking third-party verification of good wood.

The alliance is promoting investment screening tools to ensure that investment banks, financial analysts, insurers, brokerages, and financiers don’t end up playing destructive roles by supporting illegal pulp and paper mills or wood panel plants.

#### Results

In the island provinces where the alliance is active, the NGOs are engaged directly with companies that provide formal letters of commitment for financial and in-kind support. For

example, Caterpillar, Inc. is providing heavy equipment “to promote the adoption of sustainable forest management and the marketing of sustainably produced forest products.” USAID’s contribution was exceeded four-fold by corporate partners and the conservation community.

The alliance has already obtained commitments from the Government of Indonesia, concessionaires, and pulp and paper companies to stop logging in areas of high biodiversity. These areas include Tesso Nilo on Sumatra—believed to contain the highest level of plant biodiversity in the world—and East Kalimantan, the habitat of the last viable population of orangutans in that region.

One pulp and paper company has been refusing to accept illegal logs at its mill. Growing numbers of companies with global sourcing power—such as Home Depot, IKEA, Goldman Sachs, BP, and Carrefour—have joined the alliance. This buying power provides another incentive for Indonesians to ensure that their wood products are legal and responsibly harvested. ★ [www.usaid.gov/id/](http://www.usaid.gov/id/)

## Notes from Natsios

★★★★★★★★



### TRADE FUELS DEVELOPMENT

Trade has become one of the most powerful engines driving the efforts of poor countries to grow their economies.

For 40 years, this Agency has been at the forefront of development around the world. We have provided advice, tools, supplies, food, and training. We have built dams and roads and schools. But in recent years, as the global economy has taken root around the world, trade has surpassed aid as the engine of growth.

U.S. and all other foreign aid programs total about \$50 billion a year. Annual exports from developing countries earned \$2.4 trillion.

That is why the U.S. government is spending around \$600 million this year—most of it through USAID—to help poor countries build up their abilities to trade and negotiate trade agreements.

In May, we released USAID’s new strategy, *Building Trade Capacity in the Developing World*.

#### Why Build Trade Capacity?

Growing the economies of the developing world is good for the U.S. economy. Poor countries with stagnant economies are not particularly good trading partners for the United States because they are too poor to buy our products.

Trade capacity building promotes global economic growth through free markets and free trade while expanding the circle of development. Increasing trade also benefits the United States. Developing countries now account for over 40 percent of U.S. exports.

Finally, trade and investment allow global market forces to support growth and reduce poverty in developing countries.

But before they can compete with other trading nations in the world marketplace, developing countries need to train the skilled personnel who can participate in international trade negotiations. They also need auditors, customs officials, and other people or institutions to implement international trade agreements.

To help countries participate in trade, USAID will continue to assist them to improve economic policies and institutions, transfer technology, reduce dependence on exports of unprocessed tropical agricultural commodities, and help exporters meet world quality standards.

#### A Strategic Priority

The strategy was developed under the leadership of the Office of Economic Growth in the Bureau of Economic Growth, Agriculture and Trade, with input and review from across the Agency. In developing the strategy, USAID staff worked closely with the office of the U.S. Trade Representative to ensure that development concerns mesh with trade policy.

I strongly urge all bureaus and missions to embrace this strategic approach to trade capacity building. I expect that country strategies and mission programs will increasingly reflect this priority. ★

## Schools Get Bolivian Bananas

In cities around Bolivia, thousands of children each get at least one banana with their lunches every week, thanks to a USAID marketing project that is creating domestic demand for locally grown produce, an alternative to growing coca.

Poverty runs deep in Bolivia—for many children, the school lunch is the only square meal of the day. Bananas are nutritious, and buying locally grown ones increases demand for a legal crop that grows well in the Cochabamba tropics, especially in Chapare, one of the country's coca-producing regions.

Between February and November 2002, Chapare producers sold nearly 85,000 48-pound boxes of bananas to the Bolivian school system. President Gonzalo Sánchez de Lozada recently signed a decree to expand the program. As a result, sales of Chapare bananas are expected to double.

Since the early 1980s, USAID has spent more than \$200 million to help the coca-growing regions of Bolivia develop legal economies. Assistance from the U.S. government and others built roads and brought electricity to Chapare as well as the mountainous Yungas region.

Now the poverty rate in Chapare, once the country's chief coca-producing region, is 60 percent, compared to the rural national average of 90 percent. The 23,067 Chapare families participating in alternative development programs are getting about \$2,200 a year from legal crops. The national average per capita income is only \$994.

The school lunch program illustrates how USAID's alternative development program is changing, helping to create demand and link it to markets for legal crops that are now well established in Bolivia. ★

## Alternative Development Combats Drug Production

Coca in the Andes—like diamonds in Africa or opium in Afghanistan—finances instability and violence.

From the slopes of the Andes to the interior jungles along the headwaters of the Amazon, coca traffickers seek out remote areas to grow and process coca without government interference. Once enforcement catches up with them, they move on.

So fighting drugs requires going beyond just clamping down on growers, spraying crops, arresting traffickers, or interdicting shipments at ports and on the high seas. This approach, called alternative development (AD), aims to offer those involved in the illegal drug industry a safer, legal way to earn a living and provide for the basic needs of their families.

“Alternative development focuses on the state, the community, the family, and the individual to undermine the narcotics industry and narcoterrorism,” said Adolfo Franco, Assistant Administrator for Latin America and the Caribbean. “AD combats poverty and encourages economic growth. It strengthens and improves local governance.”

In Colombia, through the AD program, more than 40,000 acres of illicit crops have been manually eradicated, over 60,000 acres of legal crops are being supported, and 31 community justice centers have been established to handle over 1.6 million cases.

In the early 1980s, USAID's first AD programs in Bolivia tried to substitute legal crops for coca. Eradication efforts began in the 1990s, since farmers continued to grow high-earning coca. At first they received money for pulling out their

own coca bushes, but they simply replanted them.

Consequently, President Hugo Banzer Suarez ordered soldiers into the fields to rip out the plants in 1997. Farmers then switched to growing legal crops like bananas. Farm-to-market roads were built and export links were set up in USAID's largest rural development program in the Andes in 20 years. Poverty fell in regions like Chapare, despite the loss of the major cash crop.

In Peru, USAID's AD program took off after the Shining Path leadership was destroyed. Many communities that had been cut off from the central government for years by the guerilla war stopped growing coca when law and order, basic services, and access to outside markets returned. At the same time, U.S.-Peruvian patrols were intercepting traffickers' air shipments of coca paste to Colombia.

In the late 1990s, drug traffickers in Colombia began planting in territory controlled by the Revolutionary Armed Forces of Colombia (FARC) to replace the declining production in Peru and Bolivia. In 2002, after giving up on peace talks with the FARC, the Colombian government began to crack down in these areas. But the drug traffickers are fighting back; as a result, whole communities want government protection and services.

Increasingly, alternative development is addressing the lack of a government presence in coca-producing areas. Effective policing, accessible courts, accurate land registries, and access to credit, health, and education are as much part of the AD package as agricultural development. ★

## Peruvians Cut Coca Production

When the Colombian government cracked down on coca growers last year, Peru felt it. For the first time in five years, coca production in Peru went up. Unless it changed its approach, USAID/Peru feared progress made in combating coca production would be lost.

From 1996 to 2001, coca cultivation in Peru dropped 70 percent. During that time, USAID helped move the seven coca-producing regions toward legal crops and businesses. USAID also helped increase the percentage of households with running water and latrines from 16 to 49 percent.

In October 2002, the mission concluded that many communities were giving in to the temptation to grow coca again, despite better living conditions. The mission decided to challenge these communities to give up illegal coca entirely. (Growing small amounts of coca is legal in some areas of Peru.)

Drawing on social marketing techniques seen in health programs, educators and environmentalists are visiting villagers and talking to them about the costs of coca production.

For example, coca cultivation has led to a 25 percent loss of Peruvian jungle.

Deforestation, in turn, leads to erosion and loss of fertile soil. Streams and rivers—drinking water for many villages—are contaminated by the toxic chemicals used to make cocaine.

Specially commissioned soap operas, talk shows, and community events reinforce the message that the narcotics industry isolates farmers and creates violence that scares away private investment and disrupts education and health care.

Getting people to think about the costs of coca production and take responsibility for it is important, says Program Director Erin Soto, because “for coca elimination to work, we need to convince people that it is in their long-term interest.”

Meanwhile, narcotraffickers are using media, politicians, and protests to romanticize the traditional role of coca in Peru and tell rural people that the government is wasting donor funds meant for their benefit.

To qualify for USAID assistance, communities and local governments now must agree to destroy their coca bushes and not replant. Another incentive to cooperate is that the government of Peru has endorsed forced eradication.

The first cases of forced eradication this year prompted a national strike of coca growers. For three months, USAID put its program on hold while communities in the seven drug-growing districts made up their minds about what they wanted to do.

In May, 56 communities will eradicate coca in order to receive USAID assistance.

The mission created a multidisciplinary alternative development task force. All technical and operational office directors now serve on an alternative development board of directors. Frequent board meetings coordinate the economic, social, and governance assistance teams. ★

## Colombian Warning System Averts Massacres

There is no government presence in vast expanses of Colombia's countryside. Drug-running guerilla groups and paramilitary units fill the vacuum with violence. However, the government's ability to protect and serve its citizens is improving, thanks to an early warning system and human rights protection program, funded in part by USAID and operated by the Colombian government. Helping the state increase its presence and provide services in neglected, rural communities are crucial elements of USAID's alternative development strategy.

The Agency is also assisting many of the 2 million people who have been forced to flee their homes to escape violence, and it has helped create new justice systems to serve the poor and rural population.

More than 5,000 people were killed in politically motivated violence in 2002—1,000 of them died in massacres. Warning signs often foretold these murders.

An early warning system operated by

Colombia's national and regional ombudsmen tracks information about threatening graffiti or posters, phone calls, or a mysterious influx of strangers into a community. Tips from citizens and local officials are weighed against the government's intelligence about guerilla and paramilitary movements.

Within 48 hours, the local police commander gets recommendations on how to respond to the threat. Measures range from citizen alerts, curfews, and road checkpoints to the mobilization of military troops or police.

It is difficult to know how many massacres the program has averted, except when things go wrong. This happened in April 2002, when people were killed in the town of Boyaya. Warnings by the ombudsman's office went unheeded by the military, which is stretched to capacity. The early warning system gained credibility for having foreseen the violence. Since its inception in 2001, the early warning system has issued

208 alerts.

Another critical USAID program in Colombia helps the estimated 2 million internally displaced persons (IDPs) who have fled violence. USAID has assisted 700,000 IDPs, including some 700 former child guerrillas, by providing health services, shelter, income generation opportunities, education, and community infrastructure.

Another critical program strengthens the access of poor and rural people to the country's criminal justice system. USAID has established 29 community-based centers for legal assistance and alternative dispute resolution which, over the last seven years, have handled 1.5 million cases, most related to intrafamily violence. The Agency has also helped establish 19 oral trial courtrooms and trained 6,000 lawyers, judges, and public defenders. ★

*Bruce Abrams, USAID/Colombia, contributed to this article.*

# Colombia's \$7 Billion Plan Wins U.S. Backing

Colombia's government—besieged by drug traffickers and guerrillas living off drug profits—submitted to the world in 2000 a \$7 billion plan to rescue the country and defeat the drug industry—Plan Colombia.

Colombia's president at the time, Andrés Pastrana Arango, called upon the rest of the world—especially the wealthy nations that consumed most of the cocaine and heroin produced by his country—to contribute to

the plan to fight drug production and exports.

The three-part strategy of Plan Colombia is to eradicate the crops that produce cocaine and heroin, interdict drug shipments to the United States, and—USAID's main job in this plan—promote alternative development so farmers can earn a living from legal crops.

In FY 2001, the United States pledged

\$1.2 billion towards the Colombian drug war. In FY 2002, U.S. support for Plan Colombia expanded to include the entire region and was named the Andean Counterdrug Initiative (ACI). Of \$645 million in total U.S. funding for ACI in 2002, USAID spent \$215 million.

In FY 2003, the U.S. ACI funding is \$734 million. USAID was given 34 percent of that total—or \$248 million of which about

half—\$122 million—is devoted to development work and other activities in Colombia. The remainder goes to work in Bolivia (\$42 million), Ecuador (\$16 million), and Peru (\$69 million).

The rest of the ACI budget supports drug fighting activities in the Andean region by the departments of State, Defense, Justice, and other agencies. ★

## Department of Defense Fights Narcoguerrillas

The United States military has long been involved in helping Colombia fight narcotics producers and smugglers and has trained three battalions of antinarcotics troops.

But the drug barons increasingly have been linked to two leftist guerrilla armies and a rightist paramilitary group—all on the State Department's list of terrorist organizations.

So President Bush signed a measure in 2002 that allows U.S. forces to train anti-insurgency Colombian troops as well as antinarcotics battalions.

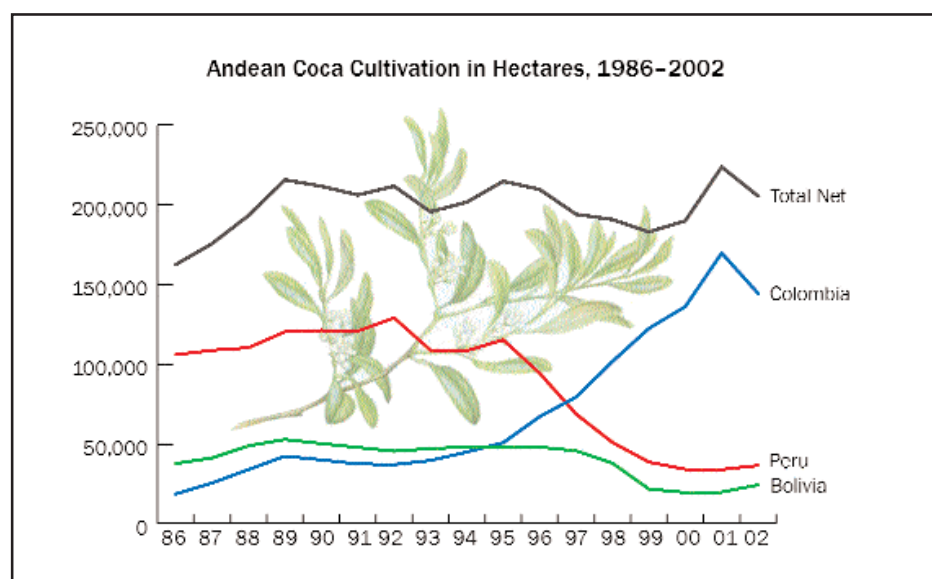
The first unit in the Colombian Army that received U.S. special forces training under the new Bush program began tracking rebel commanders in April.

The 300 U.S. forces in Colombia are not allowed to participate in combat. But three U.S. contractors for the Pentagon were captured by FARC guerrillas after their plane was shot down in February.

The FY 2003 U.S. budget includes \$98 million in weapons, equipment, helicopters, and training for the Colombian Army and to defend the 480-mile Cano Limon-Covenas oil pipeline, a frequent target of guerrilla dynamite attacks, which runs from Arauca near the Venezuelan border to the Caribbean port of Covenas. ★



A U.S. supplied plane sprays coca and poppy fields with a herbicide that kills the plants within a month.



## U.S. Supports Spraying Coca and Poppy Fields

It only takes five or ten seconds for a U.S.-supplied plane swooping low over a coca field to release a burst of herbicide that floats down to kill the crop. Within a month, the plants wither and die.

But coca farmers and drug barons don't accept the spraying: sometimes they open fire at the planes. In addition, U.S. experts risk their lives when they try to ensure that the coca plants are dead and no legal crops were affected.

In Colombia, U.S. spraying of drug crops is part of the broad effort to fight the production of drugs that destabilize Andean governments and eventually end up on U.S. streets.

In Colombia, the Department of State is spending \$100 million in 2003 for the planes, pilots, and glyphosate-based herbicide that destroys coca plants and, at higher altitudes, opium-producing poppies.

The program has been controversial. Some opposed it because they thought the glyphosate damaged the environment or created health risks. However, the chemical is the most widely used herbicide in the world; it breaks down rapidly in the soil and allows new crops—including food—to be raised on previously sprayed fields.

On the other hand, drug cultivation damages the environment: remote fields are often cleared without concern for sustainability and nearby cocaine labs routinely dump uric acid, gasoline, kerosene, and acetone into streams and watersheds.

There is, however, concern that the spraying program in Colombia also produces "ballooning"—after one region is sprayed, the crops are shifted to other regions or countries. For example, when spraying reduced the coca-growing areas of Guaviare province by 75 percent in 1998, the area under cultivation in Putumayo province—where U.S. spray planes were banned—shot up.

U.S. officials have been required to investigate accusations that the spraying damages corn or other food crops. However, when 400 such claims were checked out, only two were determined to be valid.

Most spraying is done by a fleet of 20 planes—either modified crop dusters or sturdy twin-propeller OV10 aircraft.

In spite of the spraying, an estimated 130,000 Colombian families still depend on coca cultivation. ★

## State Supports Colombia's Antidrug Troops, Police

The Department of State is a key player in U.S. efforts to help Colombia defeat narcoguerrillas: it spent \$433 million to counter the drug trade in the Andean region in FY 2003.

Colombia is the third largest recipient of U.S. government assistance, after Israel and Egypt.

But drug kingpins allied with both leftist guerrillas and rightist militias have turned the mountainous Andean nation of 44 million people into a shooting gallery and hostage hunting ground.

Colombian cocaine and heroin eventually reach users in the United States and Europe, where drug profits fuel murder, money laundering, and other criminal activity.

USAID's development projects support democracy, justice, education, and health, and attempt to show Colombians a pathway to a better life that does not require growing and selling drugs.

But security is needed for development and crop eradication to succeed.

The State Department is spending \$147 million in 2003 to support the Colombian military, mainly in aviation support for the Colombian Army's counterdrug mobile brigade and for its training by the U.S. Department of Defense.

The Colombians have received Blackhawk helicopters to rapidly move troops and supplies, and their Vietnam-era Huey helicopters are being refurbished.

Another \$130 million is spent by the

State Department to support the Colombian National Police, much it for spraying herbicide on coca and poppy fields.

In support of new efforts by President Alvaro Uribe, the State Department is paying to train and equip 49-man police units, which are being inserted into the 79 of the 160 municipalities that had been taken over by the guerrilla group FARC (the Revolutionary Armed Forces of Colombia).

The State Department is also supporting U.S. Special Forces training of 62 rural police *carabinero* units to improve security, so that development programs can be conducted and local industry and the economy can function without the extortion and kidnapping that has paralyzed much of the countryside. ★

## ECONOMIC GROWTH, AGRICULTURE AND TRADE

## USAID Helps Reform Financial System



Customers line up outside a bank during the financial crisis that rocked Argentina, one of several countries destabilized by the failure of banking systems to produce stability and protect investors.

When banks begin to fail, panic soon spreads, leading depositors to withdraw their savings and pushing the institutions into collapse. In Bosnia-Herzegovina, Argentina, Indonesia, and Kyrgyzstan, shaky financial systems have faced this challenge.

In Bosnia-Herzegovina, failing banks were assigned to bankruptcy courts. But it was taking years for depositors to get back even a fraction of the money they were owed.

USAID helped the government draft laws and regulations that give the Federation banking agency legal authority to take over, sell, or liquidate troubled banks.

In several countries, the Agency has been working to fix financial systems to provide the basis for a sound, functioning economy and free markets.

In well-functioning economies, banks collect savings and channel them to the most lucrative economic activities. Leveraging money and investing it productively is crucial to the process.

However, if bank regulators do not have adequate staff, sufficient training, or legal authority, they can't regulate the banks properly. Poorly regulated banks can make loans they cannot recover and lose their depositors' money on defaulted loans. If shaky banks collapse, scared depositors lose confidence in remaining banks and stuff money in their mattresses instead of their savings accounts. Deposits and investment dry up.

World Bank and International Monetary Fund loans can be contingent on the government adopting specific reforms in its banking sector. Implementing these reforms often becomes the core objective of USAID projects. The Bureau for Economic Growth, Agriculture and Trade provides

technical support to field missions helping local partners sort out interlinked organizational and legal problems.

◆ In Bosnia-Herzegovina, since USAID got involved, private individuals and legal entities now get deposits back on a priority basis. The Federation Banking Agency now has the authority to take over troubled banks. It has done so several times and has returned balances to customers' accounts. Within two years, private sector deposits were up 215 percent, implying greater confidence in the banking system.

◆ In Indonesia, the government had taken over several ailing banks with multiple branches—all operating at a loss. USAID provided a third-party review of the government's technical plan to merge five of the most viable banks into a bigger institution. Bad assets were sold off and operations were restructured to rationalize five systems into one. Throughout the process, the branches continued to gather deposits and make loans. The government plans to privatize the new, merged bank, which is far more attractive to investors than the old banks.

◆ In Kyrgyzstan, customers had lost money in several bank failures, but the national bank, the regulatory supervisor of the system, lacked evidence to convince a skeptical court system that it should intervene to protect customers' deposits in troubled banks. A multinational team that included USAID staff, consultants, and an information technology expert from the National Bank of Georgia came to Bishkek, the capital city. They modified software used by the central banks of Armenia and Georgia and set up a new offsite surveillance system that helps Kyrgyz regulatory supervisors manage and analyze data submitted by banks. ★

## GLOBAL DEVELOPMENT ALLIANCE

## Indonesian and Filipino Farmers Boost Cocoa Crops

Cocoa farmers in Indonesia and the Philippines are working in alliance with international chocolate manufacturers to keep pests in check with fewer chemicals. They are adopting such modern cultivation methods as frequent pruning of infested branches and fertilizing to strengthen plants.

The Bureau for Asia and the Near East and the Indonesia mission are investing \$4.5 million and industry is adding \$30 million over three years to educate farmers in remote areas about new production practices and connect them to buyers.

Through these practices, farmers are getting higher yields and improved quality. In turn, chocolate producers such as Masterfoods (formerly Mars) have promised to buy their high-quality cocoa through buyers' contracts that allow the growers to reap the rewards of their hard work.

Some 90 percent of the world's cocoa is produced on small family farms. One reason cocoa is no longer a plantation crop is its vulnerability to pests. Growers have tended to rely on costly pesticides, which can also be harmful to the person who applies them.

The cocoa industry in Indonesia dates back to the country's days as a Dutch colony. The Dutch cocoa plantations were chewed up by the tiny cocoa pod borer, a moth larva that feeds on the inside of cocoa beans. At the time, cocoa trees were cut down to fight the infestation. But by the 1990s, the Indonesian cocoa industry was once more battling the borer.

At about the same time, agricultural researchers in the tropics, funded by the cocoa industry and the U.S. government, applied the lessons of "integrated pest

management"—or using nonchemical methods for keeping pests in check.

Farmers are encouraged to harvest cocoa beans frequently to reduce damage. They must prune frequently so that light between the branches drives away borer moths. They should bury or destroy pod husks after harvesting, in case moth larvae are inside. And they need to apply fertilizer to improve the health of the cocoa trees and strengthen their ability to fight off pests.

In Indonesia, more than 700 agricultural extension workers and 35,000 farmers have learned about integrated pest management. Many participated in an earlier program funded by the U.S. Department of Agriculture. The new public-private alliance is expected to double the number of farmers skilled in nonchemical methods.

Farmers—some of whom thought they were dealing with a disease rather than an insect—report using fewer chemicals and harvesting bigger, heavier pods. When they were relying on pesticides, Indonesian farmers reported crop losses of as high as 40 percent. After adopting integrated pest management, losses typically dropped to a more manageable 15 percent.

Cocoa prices are at a 20-year high and high-quality beans can be hard to find. The partnership is therefore linking exporters to trained farmers who are seeking a premium for their cocoa beans.

Cocoa is not widely cultivated in the Philippines, so USAID/Manila, the cocoa industry, and the Philippine government are investing in establishing nurseries and developing seed stock.

There is a large domestic market for cocoa in the Philippines, which currently imports most of its supply. ★



A Sulawesi agricultural extension agent trained by ACDI/VOCA tells farmers how to care for cocoa trees to keep the cocoa pod borer in check. The extension agents work intensively with a group of farmers over several months. They, in turn, train other farmers.

## DEMOCRACY, CONFLICT AND HUMANITARIAN ASSISTANCE

## East Timor Survives A Chaotic Transition

**DILI, East Timor**—When East Timor was forced to deal with the aftermath of violence, looting, and wanton destruction by Indonesians opposed to its independence in November 1999, USAID's Office of Transition Initiatives (OTI) and the Jakarta mission were among the first to respond.

Then, in 2002, when the small nation of 800,000 celebrated its independence following a period of U.N. administration, the transition assistance evolved into a full development program, including work such as microfinancing and democracy, which will benefit the new country in the long run. The USAID office in Dili is staffed today by many of the OTI employees who responded to the 1999 emergency.

On May 20, East Timor was one year old. The world's newest nation has adopted a constitution and elected a president. The country has come a long way since November 1999, when the Indonesian army left a terrorized population, devastated infrastructure, and smoldering capital city in its wake.

When OTI arrived, it moved quickly to get people the help they needed and to lay a foundation for longer term development work.

OTI sought to stabilize the situation economically and politically. At the time, all was chaos. There was no market, no government, and no media. People had no money and no jobs. Nothing worked because Indonesians who had monopolized leadership positions in industry and administration had fled. The United Nations had been put in charge of running the country, but had no resources to do it.

OTI stepped in with a jobs program and other activities. For \$3 a day, people repaired schools, roads, and other public

facilities. From November 1999 to August 2000, 63,000 individuals participated in 469 communal projects costing \$3.9 million. Each person was limited to working just a few days so that more families could benefit. Benefits extended beyond that—when the farmers of Fatobossu rebuilt a road from their village, their work not only put money in their pockets but connected them to their district market.

The jobs program was described by one independent evaluator as “brilliantly timed and orchestrated—it produced both economic and political dividends that more than justified the investment of resources.”

A key to the success was the expert use of OTI's procurement system, which allowed staff to provide in-kind assistance quickly, said the evaluator.

USAID sought to support the United Nations and the transition to self-governance by the East Timorese. At the international community's urging, the political parties drafted and signed a pact to keep the peace during the first national election, which USAID helped distribute.

USAID also got information to people—despite lack of literacy or a common language—so they could have a say in their country's governance. The Agency team focused on radio and print media—including fixing transmitters, distributing radios to rural areas, training journalists, and funding programs that discussed the draft constitution, the national development plan, and other crucial issues.

“The development continuum, from relief to development, definitely exists. One can easily follow the other. I have seen it here,” said Jim Lehman, who started the OTI program in East Timor in 1999 and is now the mission's program director. ★



Over 90 percent of registered voters went to the polls in East Timor's first national election in August 2001. The Office of Transition Initiatives assisted the transition to self-governance.

## GLOBAL HEALTH

## Drug Treatment Added to HIV/AIDS Arsenal



A celebratory meal is prepared for patients and guests invited by clinic staff to launch the first HIV treatment program in Rwanda. The Biryogo canteen, run by people living with HIV/AIDS to generate income, prepares and serves lunch to AIDS patients and others referred by the medical center.

**KIGALI, Rwanda**—The first four patients to receive anti-AIDS drugs contributed by U.S. donors began a course of treatment at the Biryogo Medical and Social Center in Rwanda on February 28 that will last their lifetimes.

In the coming months, up to 250 HIV-positive people in Rwanda and more elsewhere in the developing world will begin to receive treatment, as medical systems to deliver antiretroviral drugs are set up and as USAID expands its efforts under President Bush's five-year \$15 billion Emergency AIDS Plan.

The declining cost of antiretroviral drugs has allowed the Agency to add that therapy into its HIV/AIDS programs, which already include prevention, fighting mother-to-child transmission, and care for those infected and their families. Currently, only 1 percent of HIV-infected people in Africa who need treatment receive antiretroviral drugs.

Treatment sites in Ghana, Kenya, and Rwanda will offer models for antiretroviral therapy to governments and the private sector. Treatment began in Mombassa, Kenya, in May, starting with eight patients, and will scale up to 300 by the end of the year. Ghana secured funds from the Global Fund to Fight AIDS, Tuberculosis, and Malaria to treat additional patients at its sites. USAID will apply the knowledge gained from the pilot projects to introduce antiretroviral treatment in other settings around the world.

In Rwanda, the first of the three countries to dispense drugs, preparations have been under way for a year. The government needed lead time to approve the importation and use of up to six antiretroviral drugs that may be required in a three-drug “cocktail.” Rwanda's national medical laboratory staff participated in training, and the Biryogo clinic upgraded

its lab equipment to monitor patients' reactions to the drugs.

Thirty-two Rwandan physicians and nurses learned how to manage all aspects of HIV/AIDS care, including nutrition and treatment of opportunistic infections. French-speaking colleagues taught the fundamentals of antiretroviral therapy, visit periodically for consultations, and remain in contact by email.

The Rwandan medical staff designed an orientation and counseling program for patients, who were asked to choose a “buddy” to help ensure they take their medicine punctually. Clinical experience shows that not taking the drugs as prescribed—either by cutting the dosage or not taking it every day—quickly allows the HIV/AIDS virus to become resistant to the medication.

The staff adopted medical and social criteria for selecting their patients, now numbering 22. The first patients must live close to the clinic and convince the staff they will keep to the strict regimen required. The first four patients who started in February are a 20-year-old student and three widows—who care for their own children as well as several orphans of the 1994 war and genocide.

Thus far, the patients have experienced only minor side effects, such as headaches and nausea. All have been very disciplined about taking their medicine. At first, they checked in with the clinic daily, but now they only need to check in every other week. In a few months, they should feel better and more energetic—more able to cope with their lives and responsibilities.

Treatment will expand rapidly under the President's Emergency AIDS Plan. The plan, signed into law on May 27, could lead to treatment for up to 2 million HIV-infected people. ★

# USAID Shifts Focus as Crisis Fears Fade

▲ FROM AID FOCUS ON PAGE 1

was just in Basra, and there are people from CARE, the IOM [International Organization for Migration], and other aid groups traveling freely." He said markets and restaurants were open.

"There are security concerns, but I felt a strong receptivity in Basra," he said. "There is a sense of expectation by the people—a wait-and-see attitude. People feel their lives are getting better, and that needs to continue. Our work is not done."

In Baghdad, however, all U.S. government officials, including USAID employees, are still required to live and work inside a guarded compound and must obtain an armed escort to travel around the city.

"This creates difficulty in engaging the Iraqis," said Earl Gast, Deputy Chief of the USAID reconstruction team, which is fielded by the Bureau for Asia and the Near East.

Gast said that despite news reports of anti-American protests, "people are gen-

erally very friendly to Americans and happy that Saddam is gone."

"We see people taking the initiative. Factory workers are coming back. The water and electricity workers are back. You see road crews working to put up guard rails—even though there is no minister of transport ordering them to go out there."

In mid-May, the U.S. reconstruction effort got a boost when President Bush lifted U.S. sanctions on Iraq, allowing USAID contractors to import materials and to hire local Iraqis. In addition, when L. Paul "Jerry" Bremer was sent to Baghdad to replace Jay Garner as civil administrator in Iraq, he established a "buy-Iraq" policy, urging contractors to use local construction materials to boost the local economy. USAID contracts have components in place to do just that.

Bechtel has already awarded a subcontract to an Iraqi firm to rebuild a bridge. ★

# Bechtel Meets Hundreds of Potential Subcontractors



Steve Tupper, USAID

Potential Bechtel subcontractors wait in line at the Ronald Reagan Building on May 21.

Representatives of more than 1,000 businesses overflowed a Washington, DC, conference room May 21, to hear about opportunities for subcontracting in Iraq from officials of Bechtel, which holds the prime USAID contract for Iraqi reconstruction.

The overflow crowd was so great that Bechtel, which rented a hall in the Ronald Reagan Building (also the site of USAID headquarters) immediately followed up with a second session for the hundreds who could not get seats at the first session.

Iraq is "probably" the next Saudi Arabia in terms of opportunities for U.S. businesses, said Owens Corning manager Steve Campbell, as he waited in the line snaking across the atrium floor for the doors to open for the Bechtel briefing.

Owens Corning makes insulation, which is expected to be in demand as Iraq builds air-conditioned public and private structures.

"I came here to learn what will be the specifications for insulation—a lot will be required for schools, hospitals, power plants, airports," said Campbell, whose firm has 20,000 employees around the world.

Many firms are seeking far more than just a slice of the Bechtel infrastructure contract, which is worth up to \$600 million. They want to get a handhold inside Iraq, make contacts, and establish their names and good reputation at the start of what promises to be the next economic boom.

"This is not a one-time thing—we look at this as a long-term relationship," said Campbell.

In case anyone thought getting work in Iraq might be easy, Bechtel official Cliff Mumm, just back from Iraq, told potential

subcontractors they would have to provide their own water, food, housing, transportation, materials, insurance, and security.

According to Mumm, "self-sufficiency" will be needed for subcontractors, who must provide everything their staffs will require to complete their work.

Of the 14 subcontracts Bechtel had awarded so far, 13 were for an average of \$500,000.

The only large subcontract went to Great Lakes Dredging to clear silt from the deep-water port at Umm Qasr so that humanitarian food shipments can dock and offload.

The USAID-Bechtel contract aims to repair existing power plants, airports, schools, and the like—not replace them with new ones.

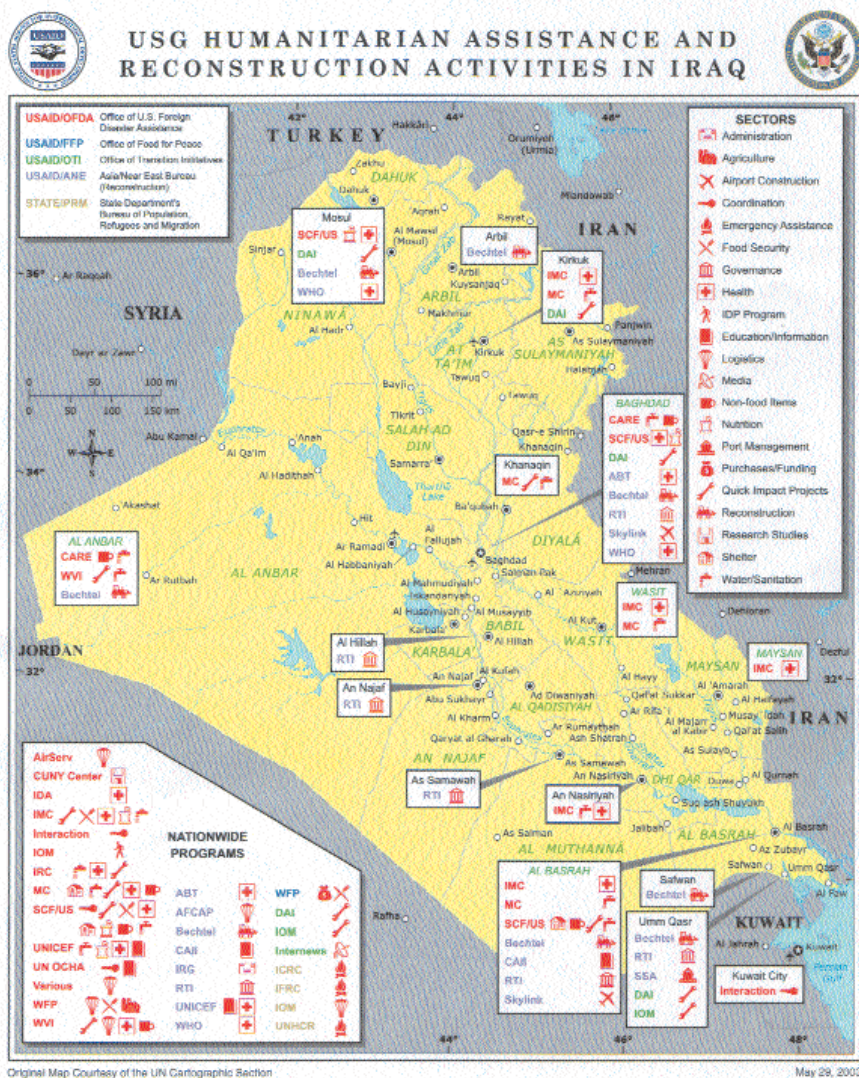
Bechtel's priorities are the port, water, sanitation, electric power, air traffic at Basra and Baghdad airports, and repairing six bridges.

The subcontracts awarded so far have gone to U.S., U.K., Kuwaiti, and Saudi firms. Two more Bechtel meetings with potential subcontractors took place in London and Kuwait in late May.

While USAID closely monitors Bechtel's role as the prime contractor; subcontractors report directly to Bechtel.

Since Bechtel signed its contract with USAID April 19, it has received 87,000 visits to websites set up to register firms seeking work.

Some 4,348 firms registered as of May 16. Of these, 2,826 were U.S. firms and 326 British. ★



This map, dated May 29, 2003, lists the contractors involved in nationwide programs relating to humanitarian assistance and reconstruction activities in Iraq. Acronyms supplied stand for the following: AFCAP: Air Force Contract Augmentation Program; CAII, Creative Associates International, Inc.; DAI: Development Alternatives, Incorporated; IDA: International Dispensary Association; ICRC: International Committee of the Red Cross; IFRC: International Federation of Red Cross and Red Crescent Societies; IMC: International Medical Corps; IOM: International Organization for Migration; IRC: International Rescue Committee; IRG: International Resources Group; MC: Mercy Corps; RTI: Research Triangle Institute; SCF/US: Save the Children/US; SSA: Stevedoring Services of America; UNICEF: U.N. Children's Fund; UN OCHA: United Nations Office for the Coordination of Humanitarian Affairs; WFP: World Food Program; WHO: World Health Organization; WVI: World Vision International.

[www.usaid.gov/iraq/updates/may03/iraq\\_map43\\_052903.pdf](http://www.usaid.gov/iraq/updates/may03/iraq_map43_052903.pdf)



## USAID OFFERS HELP TO EXHUME MASS GRAVES

Some 45 miles southwest of Baghdad, the mass graves of thousands of Iraqis massacred after a 1991 Shiite uprising were being dug up by anxious relatives and friends. They were seeking the horrible truth they have been suspecting since their loved ones were dragged away at gunpoint years earlier.

According to Shiite clerics in Najaf, there were as many as 146 mass graves around their holy city and another 29 around Karbala.

USAID abuse prevention official Sloan Mann visited the site of one mass grave near Musiyab, a city of 200,000, where more than 700 bodies have been disinterred and 230 identified. Up to 2,000 people were believed to lie in this grave.

When the bones were uncovered, it was clear that many victims were blindfolded, handcuffed, and shot in the head.

Mann met with Abu Mustafa, the organizer of the exhumation process, and offered him a small grant to purchase digging equipment for the volunteers. A British forensic team trained the volunteers in digging techniques that reduce the loss of bones.

The community promised not to disturb two prospective trenches so that forensic teams could exhume the bodies and gather evidence for an international court of law.

A human rights committee of over 100 former political prisoners volunteered to enter data into four computers on former prisoners and the missing, using piles of seized prison documents and other government papers.

After heavy equipment opened the grave in Musiyab and removed about three feet of sand, the men used shovels to uncover the bones. The temperature rose above 100 degrees as scores of volunteers pulled the remains of their former neighbors from the sand pits.

The bones, still covered in clothing, were laid out on wide white linen strips and carried about 15 feet away. There, a local expert searched for clues to identity: with no DNA testing or dental records, he looked for clothing, knives, keys, lucky stones, and Iraqi identification cards.

Within two hours, 20 bodies were found. Soon the desert nearby was blanketed with white bundles.

In the nearby village, a youth center served as a makeshift morgue. One man found his cousin and cried. Names of the dead and corresponding numbers were logged on boards. People ran their fingers across the lists looking for loved ones. ★

By Joanne Giordano, Deputy Assistant Administrator, LPA



Thomas Hartwell, USAID

Iraqis seek the remains of relatives, friends, and neighbors among hundreds of bodies exhumed from a mass grave.

## Reconstructing Iraq Begins at Ports, Airports, Local Councils

When the new civilian administrator of Iraq, L. Paul "Jerry" Bremer, arrived in Iraq in May, one of his first trips outside of Baghdad was to Umm Qasr where he saw British troops hand over control of the country's only deep-water port to a USAID contractor, Stevedoring Services of America (SSA).

It was a sign that the reconstruction of the country has begun in earnest.

While Bremer witnessed the handover to SSA, Bechtel, another USAID contractor, was pumping silt out of the channel leading into the port so that larger ships can dock. Five berths are now capable of accepting ships; 16 still require dredging.

Smaller ships were already unloading their rice and wheat—much of it donated by the United States—to be sent by truck and train around Iraq.

"We were prepared to address war damage, but there was no war damage—it was basically years of neglect," said Lewis Lucke, head of USAID's reconstruction team in Iraq.

"The river there has to be continually dredged because of the siltation process. It was really in a bad way."

Although emergency relief was not needed after U.S. and British troops entered Iraq and brought down the regime of Saddam Hussein, reconstruction is needed to fix the badly neglected country. Some of the need for reconstruction comes from looting and vandalism that occurred after the fall of the regime.

Bechtel reported that an additional two 400 kilovolt (kV) towers were torch-cut and taken down by vandals May 26, bringing the total of damaged towers to 20 along the eastern leg of the north-south connection between Umm Qasr and Baghdad. On May 23, a USAID-Bechtel representative reported the collapse of five additional towers north of Basra.

Coalition forces repaired several transmission lines on May 22.

Bechtel has about 120 people in Kuwait who are gradually arriving in Iraq to work on all the infrastructure projects. At least 15 were already in the country working on electricity, said Michael Robinson, Bechtel's power sector manager for the Iraqi reconstruction.

The Bechtel electricity specialists visited Iraqi power plants to assess how to improve electricity output in the short run before beginning detailed discussions with the Iraqis about longer-term work.

Bechtel has completed evaluation of the Baghdad International Airport, which is considered the highest priority for reopening Iraqi airspace to commercial traffic. The condition of the Basra airport was being evaluated.

Bechtel has been awarded the largest of eight principal reconstruction contracts and will be working to repair Iraq's seaport, airports, schools, hospitals, water systems, electric plants, bridges, oil fields, and other critical parts of Iraq's economy. But it will not build new facilities. Rather, it will focus on repairs and rehabilitation until Iraq has a new government that can utilize the country's oil wealth to replace its aging infrastructure.

Bremer was briefed on the scope of the work needed at Umm Qasr by Lucke, whose reconstruction team, fielded by the Bureau for Asia and Near East, is expected to become the seed of a USAID Iraq mission.

Aside from the infrastructure repairs done by Bechtel, USAID has funded reconstruction projects in education, governance, health, infrastructure, and logistics.

A local governance technical expert with Research Triangle Institute continues to implement the Neighborhood Advisory Council project, which includes 83 neighborhoods in Baghdad. These committees will select representatives to the nine municipal councils.

To rebuild civil society, USAID has

awarded five NGOs contracts worth \$7 million to help citizens in 250 communities decide how to rebuild schools and clinics, clean up the environment, and manage job programs. The Iraq Community Action Program could reach a value of \$210 million over three years.

The five NGOs are Mercy Corps, International Relief and Development,

Inc., Agricultural Cooperative Development International and Volunteers in Overseas Cooperative Assistance, Cooperative Housing Foundation International, and Save the Children Federation.

The programs will benefit approximately 5 million Iraqis. ★



Thomas Hartwell, USAID

Participants in a USAID financed cleanup of the El Rashid neighborhood of Baghdad deliver garbage to collection spots where it is trucked to landfills. Some 1,000 people are participating in the 16-day project. Each worker is paid by USAID the equivalent of about \$4 day for the effort.

**AFRICA****Citrus Farming Boosts Ghana Living Standards**

**ACCRA, Ghana**—A USAID citrus project in the eastern region of Ghana promises to turn citrus into a major new crop for the area. Six years after the launch of the project, more than 4,000 farmers have cultivated some 4,289 acres of orange trees and report that their family incomes have risen.

The food security project, financed with local currency through the sale of U.S. food aid, helped farmers cultivating citrus trees to improve their farming skills.

Citrus is a long term investment—it takes four years for a tree to reach maturity. The farmers planted citrus seedlings alongside food crops such as corn, so that they harvested enough food to feed their families while the young trees were maturing.

By adopting better farming techniques, the farmers increased their maize yields from 290 kg to 850 kg per acre over a five-year period, and increased their net profits from 760,000 to 2.6 million Ghanaian cedis per acre—the equivalent of \$88 to \$300.

The variety of orange tree that the farmers planted matures off-season when prices for the fruit are highest. Project farms harvested 934 tons of oranges in 2002.

The farmers have established links with fruit-buying organizations in Ghana, Burkina Faso, Mali, and Niger. In 2002, they sold the oranges at 225,000 cedis (\$26) a ton, 30 percent more than they had estimated.

One farmer said that his colleagues who have started harvesting this year were able to

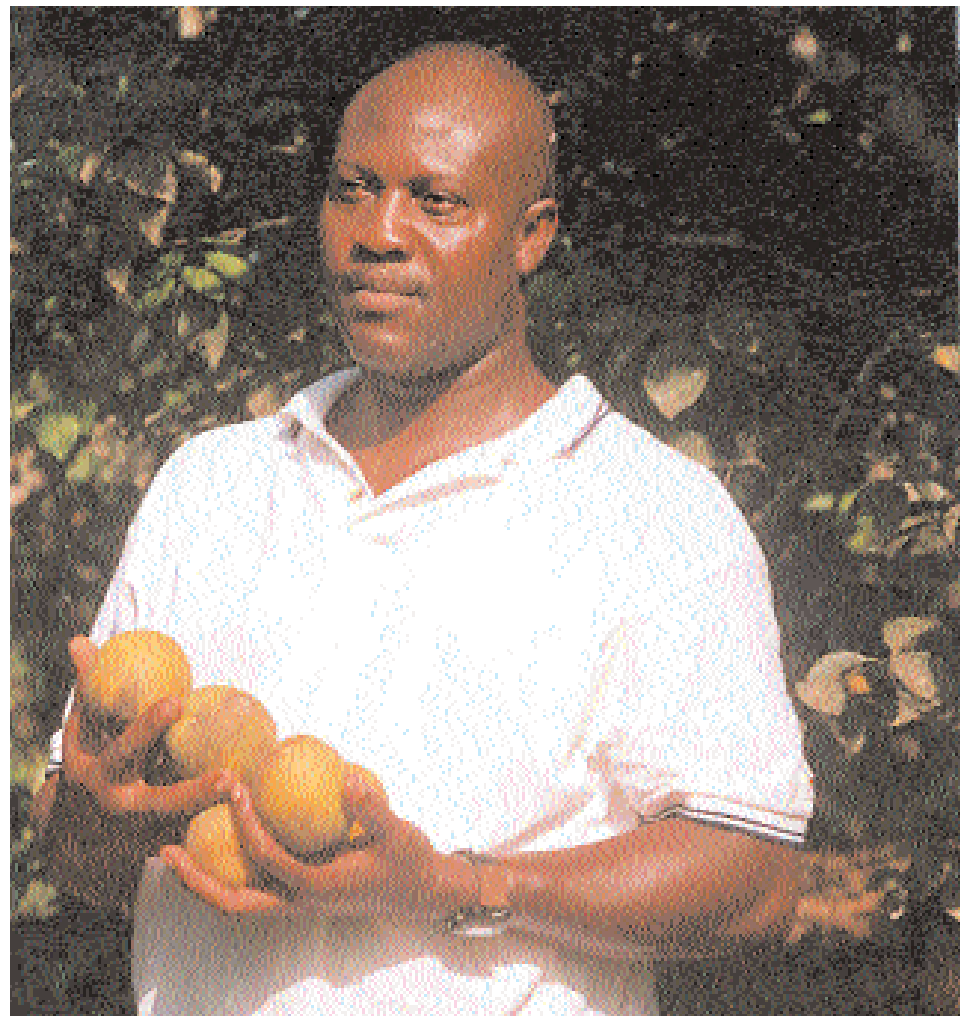
settle their children's school fees, pay their medical bills, and provide decent clothes.

"The farmers have acquired seedlings, equipment, and other inputs through interest-bearing loans. They have worked diligently to repay the loans, increase their crop yields, and raise their families out of poverty," said Mission Director Sharon Cromer.

The farmers involved in the original project are helping other farmers in neighboring villages enter the citrus cultivation business and increase crop yields. In the eastern region, over 500 farmers have begun planting orange trees using their own resources. As a result, it is expected that citrus will become a major agricultural enterprise in that region in the next five years.

One of the farmers said: "I have learned new ways of farming that have increased my maize production level from a meager three bags per acre to ten bags per acre and so I have excess food to sell. I have increased my assets by three acres of citrus, which is now fruiting. Members of my family seldom fall sick due to the nutrition and health education we have been given. The money I used to spend on medication now goes into my children's education. All my children are in private schools. I am very grateful to the people of America for coming to our aid." ★

*By Henry Akorsu, Information Specialist, USAID/Ghana*



*In the eastern region of Ghana, farmers involved in a USAID project planted citrus trees that mature off-season, when fruit prices are highest. The farmers also improved their farming skills and techniques, enabling them to increase their maize production.*

**LATIN AMERICA AND THE CARIBBEAN****Hondurans Privatize Water, Other Services**

**TEGUCIGALPA, Honduras**—Puerto Cortes Mayor Marlon Lara was able to increase his town's tax base, encourage citizens to participate in local government, and make that government more effective by using USAID's Municipal Development Program.

With the help of Agency funding, Lara and his staff reduced the cost of government by privatizing the delivery of services traditionally run at a loss by cities all over Honduras.

Lara, who began his third term in 2002, said his administration has contracted out the operation of markets, garbage collection, street sweeping, fire department services, and the water system. The city has also begun to turn its slaughterhouse over to a private contractor.

"We have had very good results," Lara said. "The [privatization] processes are improving. The private sector is showing more interest, and we have improved the quality and the coverage of our services." With privatization, he said, the municipality's finances have improved.

"Now some of the services are showing profits and the others at least are covering their expenses," Lara said. "We don't have so much bureaucracy, there are fewer municipal employees, fewer problems, better service, and less investment that we have to make."

Such strategies for improving efficiency are helping municipalities across the country use scarce resources for health and education.

Since the project started in 1995, more than 13,000 people from 250 municipalities have attended training on how to better protect natural resources, plan for and mitigate disasters, collect city revenues, and encourage citizens to participate in city business.

More than 46 municipalities have taken advantage of technical assistance to digitize land records, strengthen accounting systems, and improve administrative and other operating systems.

Average municipal income is on the increase in Honduras. The income of municipalities that participated in USAID's program increased by 22.4 percent. Most of the increase was due to higher property tax revenues. The average percentage of dwellings receiving water, sewage, and refuse collection grew four percent in 2002 and 3 percent in 2001.

At the local level, USAID also encourages town meetings that give citizens a say in setting city priorities.

Since effective local governance is also a result of national policies, USAID supports the work of the Association of



*A town meeting in Honduras. The country's municipal law was amended in 2001 to introduce a new municipal officer, called comisionado municipal, who is elected in an open town meeting and is responsible for evaluating human rights and social conditions.*

Municipalities of Honduras (AMHON). AMHON, an advocate of decentralization, helped get separate ballots established for mayoral elections and, more recently, helped reform the nation's municipal law.

AMHON regularly brings legislators and

mayors together to make sure the concerns of municipalities are understood and their interests represented.

*By Denia Chávez, Project Management Specialist, USAID/Honduras*

## ASIA AND THE NEAR EAST

# Nepal's Volunteer Women Save Lives

**KATHMANDU, Nepal**—In the villages of Nepal, where most people live without access to doctors or other medical care, 46,000 Female Community Health Volunteers (FCHV) have been trained to deliver basic care and fight pneumonia and diarrhea.

These women have made Nepal the first country to deliver vitamin A supplements consistently to its rural population. The supplements should prevent at least 12,000 child deaths annually. By October 2002, volunteers were providing vitamin A capsules twice a year to more than 3.3 million children between the ages of six months and five years in every district.

Bimala Lama, one of the health volunteers, teaches mothers how to treat diarrhea—perhaps the biggest killer of small children. She also helps provide family planning services, maternal child health programs, the vitamin A supplements, and referrals for malaria and other infectious diseases.

Bimala Lama works in the village of Nibuwater, in the hills of Makwanpur district. Her monthly mother's group meetings focus on pneumonia and acute respiratory infections during the winter, and on diarrhea during the summer.

When asked why she works as an FCHV despite receiving no payment for her services, Bimala Lama replied that it is her way

of serving her community—by saving the lives of children.

"If I go to the temple and pray, I will earn *dharma*" (spiritual credit), she said. "But if I serve my community, then I earn more *dharma*." She says that since becoming a health volunteer she has the confidence to stand up and speak in front of others, and that she is respected by the community because of her work.

This is a Nepalese government program supported by USAID, the U.N. Fund for Population and the U.N. Children's Fund. USAID is the lead donor.

The volunteer program began in Nepal in the late 1980s; volunteers now work in all 75 districts. In each ward of the Village Development Committees in a district, the community chooses one volunteer. Volunteers receive 18 days of initial training, logistical support, and ongoing refresher training.

The Nepal Demographic Health Survey 2001 indicates a 28 percent reduction in child mortality since 1996. This is in large part due to the national vitamin A program, which is seen as a model for other countries.

In another program, volunteers in 22 districts have been trained to detect pneumonia in children, treat mild cases with cotrimoxazole, and refer severe cases and those that do not respond to health facilities. ★



*A Female Community Health Volunteer (FCHV) counts respirations to determine if the child needs treatment or referral. The program saves children's lives: evaluations found that FCHVs refer and treat more appropriately than some staff at health facilities.*

## EUROPE AND EURASIA

# Corporate Social Attitudes Change in Romania

**CONSTANTA, Romania**—Marcel Biac was born a Roma—a vulnerable minority in Romania—and lived in a dormitory-type residential institution in Constanta, a port city on the Black Sea, from the time he was 5 years old. When he left the institution at age 18 in 2002, he had no family, no home, and little hope of finding a job.

Fortunately, Marcel applied for a new program at a company called FantasyMod—a textile factory—which was training young workers with a grant from USAID. With his training completed, Marcel now works a regular shift in the plant, where he not only receives a paycheck but is well on his way to becoming a self-reliant citizen.

"Training and hiring the young people from the youth residential institution has been much more successful than we ever anticipated," said Mihaela Belcin, owner of FantasyMod.

"This program helped me understand that by helping the community and its members our company benefits a lot. We have excellent new employees who are very efficient. Not only that, but we have gained new respect from the people of Constanta. My company is better known and new clients are increasing our business."

Such stories are rare in Romania. After struggling under a centralized, socialist economy for 45 years, Romanian companies

began the transition to a free market system in 1989 with no knowledge of corporate citizenship.

Most private firms had little interest in local problems and didn't understand how corporate citizenship benefits both the community and the business. As a result, the public frequently perceived companies as egocentric and indifferent to their needs.

USAID launched a small corporate social responsibility (CSR) program through the Romanian Chamber of Commerce and the NGO World Learning to demonstrate that private firms can improve their bottom lines by doing good in their communities.

Multinational corporations, such as McDonalds, Kraft Foods, Procter & Gamble, Cisco Systems, and Eli Lilly, are helping Romanians better understand the nature and values of capitalism. A competition for small grants was held and the best CSR project proposals were selected for USAID cofinancing in cities and towns throughout the country. These include:

- ◆ Marcel's company, FantasyMod, which provided vocational training and jobs to other orphans
- ◆ A footwear producer that donated shoes to 627 unemployed
- ◆ A plastics manufacturer that distributed 28,000 trash bags to schools, kindergartens, hospitals, and other institutions

- ◆ A small-town school that was saved from closing by a local company that refurbished its sewage system
- ◆ A firm that equipped 26 schools and universities with software products
- ◆ A private company that equipped a school computer lab for handicapped children and orphans
- ◆ A kindergarten, retirement home, and theater that were restored in the capital city of Bucharest

As a result of this mix of company funds and employee time, USAID grants totaling \$48,000 leveraged local cash and in-kind contributions worth nearly \$500,000.

Nationwide media attention to these projects spread CSR concepts around the country. Now the program is being copied by other companies in other cities, without any outside financial support. ★

*By Mihaela Popescu, USAID/Romania*



*Mihaela Popescu, USAID/Romania  
Marcel Biac, working at FantasyMod in Constanta, Romania.*

*April 4–May 17, 2003***PROMOTED**

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**Teresa Allison**  
**Lily Beshawred**  
**Roxanna Bowers**  
**Lance Butler III**  
**Marjorie Copson**  
**Brenda Fisher**  
**Toraanna Francis**  
**Marlene Garcia**  
**Pamela Gee**  
**Ronnie Gilmer**  
**Margaret Ann Haywood**  
**Jennifer Hoffman**  
**Criss Kamara**  
**Chandresh Mamlatdarna**  
**Desiree Savoy**  
**Mai-Tran Tran**  
**Sharonne Williams**

**RETIRED**

**Barnett Chessin**  
**Clinton Doggett Jr.**  
**Lance Downing**  
**Jean DuRette**  
**Robert Goldman**  
**Nedra Huggins Williams**  
**Robert Stone McClusky**  
**Virginia Sewell**  
**Marilyn Zak**

**MOVED ON**

**Michael Arrington**  
**Rachel Ballen**  
**Tine Johannesen Knott**  
**Gregory Manuel**  
**Angel Maysonet**  
**David Piet**

**REASSIGNMENTS**

**Timothy Alexander**  
 E&E/NCA/C to E&E/EA  
**Chris Barratt**  
 Rwanda to Mozambique/GD  
**Robert Stephen Brent**  
 Egypt/HDD to PPC/DEI  
**Robin Brinkley**  
 Jamaica-CAR/OPDM to A/AID  
**Agatha Brown**  
 AA/E&E to A/AID  
**Betsy Brown**  
 GH/HIDN to COMP/LT TRNG  
**Christopher Brown**  
 E&E/MT/SBA to COMP/LT TRNG  
**Michael Carey Burkly**  
 PERU/OFA to Brazil  
**Mary Byer**  
 DCHA/PPM to PPC/DCO

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 Rwanda to COMP/FSLT  
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 COMP/FS/REASSIGN to ANE/SPO/SPPM  
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**Philip Jones**  
 EGAT/AG/ATGO to E&E/PO/BPPR  
**Jeffrey Kaufman**  
 COMP/NE/OJT to WB/Gaza  
**Jeffrey Lee**  
 EGAT/AG/ATGO to Caucasus  
**Inga Litvinsky**  
 COMP/NE/OJT to Russia/BDI  
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 RCSA/OD to E&E/ECA/SE  
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 COMP/NE/OJT to Mexico  
**James O. Watson**  
 Jamaica-CAR/OEG to E&E/EA  
**Joseph Williams**  
 NEPAL/PPD to ANE/TS  
**Edith Wilson**  
 AA/LAC to A/AID

**IN MEMORIAM**

**Paul Bell**, Senior Regional Advisor, USAID Office of Foreign Disaster Assistance, Bureau for Democracy, Conflict, and Humanitarian Assistance, died May 16 in San José, Costa Rica. Bell began his federal career with the Peace Corps, serving as Peace Corps Director in several countries from 1964–71 and 1976–80. From 1971 to 1975, he was Vice President for Operations for the Inter-American Foundation. In 1980, he served as the Deputy Director of the Cuban-Haitian Task Force at the Department of State. Shortly thereafter he joined USAID's Bureau for Latin American and the Caribbean (LAC). In June 1983, he became the Senior Regional Advisor for

LAC in the Office of U.S. Foreign Disaster Assistance. During his tenure, he participated in more than 50 Disaster Assistance Response Teams (DARTs) worldwide. Bell was a firm believer in strengthening the capacity of Latin Americans to mitigate and prepare for disasters. To this end, Bell's team trained over 32,000 people as first responders and worked with Latin American governments to promote self-sufficiency in disaster response. Internationally known as a leader in humanitarian assistance, Bell chaired several important organizational events, including the International Search and Rescue Assistance Group and the Summit of the America's Hemispheric Risk Reduction Conference.

**Reginald Bellows**, 57, died May 9 after a brief illness in Washington, D.C. Bellows began his 37-year government career with the Department of the Army before joining USAID in 1966 as Chief of Management in the Program and Management Services Bureau. He retired on February 10 from the Office of Administrative Services, Bureau for Management, where he was a general services specialist.

**Edna Antoinette Falbo**, 88, who retired in 1981 as Chief of the USAID Reference Center, died March 8 at a hospital in Morgantown, W. Va. Falbo was a librarian, records manager, and federal government contracts administrator before she established USAID's reference center in 1967 in the Bureau of Program and Policy Coordination. She headed the reference center for 14 years, overseeing its function as a repository for feasibility studies, research, and final reports about developing countries.

**Raymond Eugene Fort**, 75, died April 30. Fort worked overseas for approximately 40 years. He was with USAID in Nepal, Afghanistan, Yemen, and Egypt. Subsequently, he was the FAO representative in Pakistan, and later was a consultant to the Ford Foundation, Rockefeller Foundation, State Department, and the United Nations. Fort also served in Iran, Indonesia, Syria, India, Nepal, Western Samoa, the Philippines, Italy, Pakistan, and Mongolia. During the summer of 2002, he was working to reestablish the postwar agricultural economy in Afghanistan.

**John "Johnnie" W. Johnston**, 86, died April 28 in Port Charlotte, Fla. Johnston

began his government career in 1943 as an agriculture officer in Brazil with USAID's predecessor agency. After serving in the Navy in World War II, he served as agriculture officer in Guatemala, Director of the ICA (International Cooperation Administration) missions in Cuba, and in Colombia. He returned to Washington, D.C., to attend the National War College course for senior officers before serving as USAID/Mexico Mission Director. Later, he was appointed Deputy Assistant Administrator for Material Resources. Johnston also served as Special Assistant to the Deputy U.S. Coordinator for the Alliance for Progress, Advisor to Governor Nelson Rockefeller's Presidential Mission in Latin America, and Associate Assistant Administrator for Administration in USAID's Bureau for Vietnam. Johnston spent more than 30 years in the foreign service. He retired as Director of the Office of Personnel and Manpower in 1973, and received USAID's Distinguished Honor Award in recognition of his career in government service.

**Timothy O'Connor**, 46, died April 30. O'Connor joined USAID as a foreign service officer in 1991. He served overseas in Jamaica, Egypt, and Indonesia, and in Washington, D.C., in the Bureau for Europe and Eurasia, the Bureau for Humanitarian Relief, and the Bureau for Asia and the Near East.

Notices and reminders for "Where in the World..." should be submitted by e-mail to [frontlines@usaid.gov](mailto:frontlines@usaid.gov) or by mail to **Mary Felder**, USAID, Ronald Reagan Building, suite 6.10.20, Washington, D.C. 20523-6100 or by FAX to (202) 216-3035.

**FUTURE FEATURES**

**TOP THAT SHOT**  
*FrontLines* plans to run a feature on great photos taken by USAID staff. The photo should showcase how you get the opportunity to do amazing things in your jobs. Please include a caption with your photo that explains when and where the photo was taken and how it relates to your work at USAID. Photos should be prints, negatives or high resolution digitals (300 dpi or larger).

**REMEMBER WHEN**  
 Share your most memorable story working with USAID. *FrontLines* plans to run a feature on USAID employees' most memorable moments in a future issue. Your articles should be no more than 300 words.

Please send articles and/or photos to [frontlines@usaid.gov](mailto:frontlines@usaid.gov) or *FrontLines*, USAID, Ronald Reagan Building, Suite 6.10, Washington, DC 20523-6100.

## AFSA STUDENT ACADEMIC AND ART MERIT WINNERS

Each year, the American Foreign Service Association (AFSA) Scholarship Fund conducts a competition that recognizes the academic and artistic achievements of high school seniors who are the children of AFSA members.

AFSA awarded \$27,600 in scholarships to 27 winners on May 9. Four were children of USAID employees. Winners received \$1,500 awards; "honorable mention" winners each received \$500. In addition, four named scholarships were bestowed to the highest scoring students.

AFSA received 62 applications for the Academic Merit Awards. Students competed on the basis of their grade point averages, SAT scores, two-page essays, letters of recommendation, extracurricular activities, and any special circumstances. Seventeen students submitted art applications under the categories of visual arts, musical arts, drama, dance, and creative writing. Applicants were judged on their art submissions, letters of recommendation, and two-page essays.

### USAID Academic Merit Winner



**Christine M. Elliott**, daughter of William S. Elliott (Bureau for Europe and Eurasia) and Angela Elliott. Christy is a senior at George C. Marshall High School in Falls Church, Va. and president of the National Honor Society. She enjoys acting, overseeing her school's

Interact Service Club, and volunteering at a local crisis pregnancy center. Christy has lived in Botswana, Jordan, and South Africa. In addition to the Academic Merit Award, Christy received the John C. Leary Scholarship as one of the highest scoring students in the competition. A National Merit finalist, Christy will attend the University of Virginia as a Jefferson Scholar.

### USAID Academic Merit Honorable Mention



**Courtney L. Keene**, daughter of Sharon L. Cromer (Mission Director, USAID/Ghana) and Arnold S. Sobers. Courtney is a senior at the American School in Switzerland. She is an enthusiastic and gifted writer who enjoys dance and basketball.

Courtney plans to pursue a career in journalism. She has lived in Pakistan, Côte d'Ivoire, Senegal, Indonesia, and Ghana.



**Shayda Vance**, daughter of Anthony N. Vance (USAID/Egypt) and Ladan Doorandish-Vance. Shayda attends the Cairo American College in Egypt, where she is president of the National Honor Society. She plans to attend Harvard College, where she

hopes to major in environmental science and public policy. Shayda loves different cultures and is involved in the Model United Nations. She has lived in Côte d'Ivoire, Kenya, Botswana, and Egypt.

### USAID Art Merit Honorable Mention (Musical Arts)



**Angela Garland**, daughter of William R. Garland (USAID/Ecuador) and Gail L. Garland. Angela is the valedictorian and vice president of her senior class at the Academia Cotopaxi in Quito, Ecuador. She is a talented musician and songwriter and has released her own album.

She loves children and animals, volunteers at a local orphanage, and plans to pursue a career in music or zoology. Angela has lived in Costa Rica, the Dominican Republic, Kenya, and Ecuador.

## Foreign Service Honors Three of Its Fallen

The names of Laurence Foley, Oscar Curtis Holder, and Sidney Jacques were etched into granite and unveiled in a Foreign Affairs Day ceremony at the C Street entrance of the Department of State on May 9.

"Their work is our work now, and we can honor them best by doing it well," said Administrator Natsios, who unveiled the plaque with Secretary of State Colin L. Powell.

USAID Executive Officer Larry Foley was assassinated outside of his home in Amman, Jordan, in October 2002. And more than 40 years after dying in an airplane crash in Nepal, USAID auditors Oscar Curtis Holder and Sidney Jacques were honored on the American Foreign Service Association (AFSA) memorial plaque.

The names of Holder and Jacques were added to the plaque as a result of AFSA's decision to amend its criteria to include foreign service employees who lost their

lives abroad "in the line of duty" in addition to those who died in "heroic or other inspirational circumstances."

In his welcoming remarks to relatives and colleagues of the honorees, AFSA President John Naland stated that 141 officers have been added to the plaque since World War II. Three-fourths were killed as the direct result of terrorist attacks or other hostile action.

The simple ceremony began with a military color guard and remarks by Secretary Powell, who was greeted with a standing ovation. He said of the foreign



The Foley family at the plaque ceremony on May 9

service: "It is a mission that brings to each and every one of us a deep sense of satisfaction that we are helping people around the world to a better life. It is also a mission that frequently entails hardship, and often, all too often, it is a mission that carries great risks." ★

## Sixty-Eight USAID Staffers Fully Certified as CTOs

Sixty-eight USAID staffers recently completed training and became certified managers of U.S. government grants and contracts. The official term is cognizant technical officer—CTO for short.

USAID's human resource office organized intensive, two- and three-week training courses for mission staff in Lima, Peru, and Kiev, Ukraine. USAID will track the performance of the two missions to evaluate the impact of the training.

Before the sessions began, all participants were required to complete an online preparatory course. The formal training was held offsite. It was the first time online and classroom training were combined for the CTO certification program. At the end of the new, condensed-format training, all participants received their certification as CTOs. ★

By Anne L. Terio, USAID Program Manager, CTO Training Programs



Staff from USAID/Peru and Ecuador attended a course in Lima in October 2002.



In spring 2003, 42 CTOs completed their training in Kiev, Ukraine, and were certified.

## Forum Says Agency Staff Needs Support, Makes 25 Recommendations on Changes Needed

USAID has found it increasingly difficult to recruit, retain, train, and reward its employees, due to constraints that have been imposed by other federal agencies and branches of government, according to *Human Capital Reform: 21st Century Requirements for the United States Agency for International Development*.

Written by former diplomat Anthony C.E. Quainton and researcher Amanda M. Fulmer, the report adds that "the fear of taking risks is ingrained in the agency's culture to the point where it sometimes stifles innovation—some degree of 'prudent' risk taking is neces-

sary in the development field."

Nearly 30 former and current government officials, businessmen, and academics attended the forum on USAID workforce issues in October 2002.

The forum was organized by the National Policy Association, with support from the IBM Endowment for the Business of Government.

John Marshall, Assistant Administrator for Management, said: "We are working the recommendations of the forum into our human capital strategic plan, but we don't have everything

funded yet. The report has a lot of good insight—it's great to get the private sector view."

The report stated: "USAID employees, who are loyal, committed, and professional, seek greater appreciation of the valuable work they do overseas, often under the most difficult of circumstances."

During the 1990s, cuts in the budget and workforce, ineffective management, and a poor personnel system weakened the agency, the forum concluded.

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*Readers are encouraged to send in stories, feature articles, photos, nominations for "First Person" or "Mission of the Month" columns, and other ideas.*

*Letters to the editor, opinion pieces, obituaries, and requests to be added to the mailing list should be submitted by e-mail to [frontlines@usaid.gov](mailto:frontlines@usaid.gov); by fax to 202-216-303, and by mail to Editor, *FrontLines*, USAID, Ronald Reagan Building, Suite 6.10, Washington, D.C. 20523-6100; tel. 202-712-4330.*

## Staff Need Support, Forum Says

## ▲ FROM STAFF ON PAGE 13

The forum made 25 recommendations, including the following:

◆ To **change the culture**, adopt family-friendly policies such as telecommuting and job sharing; recognize efforts by foreign service nationals (FSNs) and contractors; and inform career staff about Agency work around the world, especially if the Agency "continues to shift its workforce toward a collection of short- or medium-term contract employees."

◆ To **rethink the concept of career** at USAID, recognize the shift toward spending just a few years at the Agency, and away from lifetime employment; increase pay and training for FSNs; send more program employees overseas; put the best employee in a job, regardless of foreign service or civil service status; and send civil service staff for periodic overseas excursions to see Agency work in the field.

◆ To **remake personnel programs**, give managers flexibility in internal assignments and training; increase funding for training and offer it to all employees; and use State Department and other agency training facilities.

◆ To **improve recruitment**, inform the general public about what the Agency does; reinstate the International Development Intern program; and collaborate with the State Department.

The forum also proposed simplifying and clarifying the processes of promotions and evaluation, creating a database to keep track of and evaluate the thousands of personal services contractors, and increasing funding for employee awards. ★

[www.businessofgovernment.org/pdfs/QuantonReport.pdf](http://www.businessofgovernment.org/pdfs/QuantonReport.pdf)

## TOP THAT SHOT



I saw your call for photos and decided to submit this one—it was used in 2002 by the London Museum of Natural History when they did an exhibit of mining in Africa. It is of an artisanal gold miner in Siguiri, in Upper Guinea.

I have an *amazing* job. I'm doing promotional work for USAID in Guinea and in Sierra Leone that takes me to towns and villages and beyond in both countries. I get to speak to people ranging from smallholder farmers in the smallest villages to government officials, mayors, and ministers, not to mention partners, donors, and my colleagues here at USAID. I particularly like talking to our beneficiaries—that's when I find out if what we're doing is really benefiting people. They are the ones who know best what works and what doesn't for their own development.

The day I took this photo, I was focusing on high-risk groups for HIV/AIDS in Guinea. Since miners are considered a high-risk group, I wanted to see firsthand

how they live and work.

The conditions are brutal—women work alongside men doing backbreaking labor under the searing hot sun. We visited during the religious period of Ramadan. The miners were working even while fasting all day.

After having walked through and interviewed men and women in the gold mines in Guinea and the diamond mines in Sierra Leone, I have understood why the mining industry presents particularly acute development concerns in health, education, democracy, and natural resource management, and why USAID is working to help local mining communities reap more of the benefits of the riches found under their feet.

There you go—hope you like the photo!

Laura Lartigue  
Technical Writing Specialist  
USAID/Guinea and Sierra Leone  
Conakry, Guinea

## Letter to the Editor

Please let me express my compliments for the great overall redo of *FrontLines*: its expansion, color, layout, and extensive coverage all make for a truly impressive publication.

But... (of course!) while I realize everything changes as we move through life, I am struck by the lack of focus on and recognition of USAID personnel.

I know that there are separate features (such as the FSNs in the [March 2003] issue, specific awards stories, etc.) on personnel, but what seems to be different, in my view, is that the entire publication now seems aimed mostly at providing Congress, the Administration, and others *outside* of USAID with extensive/intensive background on USAID activities/objectives. That's fine, as a policy objective, and will probably be a major political boost over time to the Agency.

But for more than a couple of decades until its demise, the old *FrontLines* was targeted on employee morale, performance,

and recognition—I think an absolutely vital element in terms of mission accomplishment.

That's almost gone in the new *FrontLines*.

For example, it's hard to find an article/feature that mentions anybody involved in whatever it's about (except, of course, for the ambassador or chief of mission or other "top dog" politically).

Mission of the Month? Kenya? Who's the mission director? Staff? USAID DARTS to Iraq? Who's the team leader? Key team leaders? HQ coordinator(s)? And so on....

I like the new *FrontLines* and you're doing a great job, but a few changes targeted on employees would be a big boost.

Thanks for listening.

Jesse Snyder  
USAID Retired 1990

# Foreign Aid Adapts to a Changing World

Instead of focusing mainly on social services such as health and education, the United States is increasingly trying to help people earn an adequate living through efforts to promote business startups, secure property rights, end corruption, support trade, and link developing countries to the globalized economy, Natsios told the Advisory Committee on Voluntary Foreign Aid (ACVFA) at the National Press Club on May 14.

"Some are not happy with the emphasis on economic growth rather than social services," Natsios said in his keynote address. "Some NGOs say this damages the environment and erodes labor rights. But poor people say they have no income and need jobs to feed their families."

Providing social services does not guarantee that people escape from poverty, because such services don't address the fundamental issue of creating wealth through productive farming, industry, or other employment, he said.

Extreme poverty tends to destabilize weak states; this provides a haven for terrorists, Natsios contended, citing sections of President Bush's National Security Strategy.

"America is now threatened less by conquering states than we are by failing ones," the strategy says. "A world where some live in comfort and plenty while half of the human race lives on less than \$2 per day is neither just nor stable."

Natsios told the meeting that "development does affect stability." Under President Bush, foreign aid is recognized as one leg of a three-part strategy to defend the United States—defense and diplomacy being the other legs of that strategy.

ACVFA is a federally chartered advisory body that includes senior officials of many NGOs—such as Save the Children, Technoserve, and the International Medical Corps—that carry out many of USAID's development and humanitarian assistance projects.

USAID fights instability directly through programs for conflict management and prevention. But the Agency also employs indirect means of fighting instability and improving productivity and economic growth, such as support for improved education, especially for girls. Other efforts—such as fighting HIV/AIDS, malaria, and other health



Administrator Andrew S. Natsios addresses the Advisory Committee on Voluntary Foreign Aid on May 14

threats—help get people back to work so they can earn a living and not need assistance.

Natsios referred to his meeting with L. Paul Bremer III, named in May by President Bush to be the new civilian administrator for Iraq. Natsios said that he and Bremer shared the belief that the key to creating a stable, peaceful Iraq was the building up of civil

society—one of USAID's key missions in recent years.

The nearly \$600 million annual USAID budget for assisting developing countries to build trade capacity and enter global markets is a sign of the new focus in U.S. foreign aid, Natsios concluded. ★

## In Development, Culture Matters

Some countries fail to develop because of culture and habits that must be changed through education over many years, said former USAID Mission Director Lawrence E. Harrison, currently a professor at Tufts University and author of the book *Culture Matters*.

Harrison told about 50 USAID staff at a seminar the necessary values include an emphasis on individual accomplishment, trust in others, and an expansive identity beyond family and clan.

Harrison said that the very same development plans that revived Europe after World War II failed to work in some parts of the developing world because of differing cultures.

Economic development surged in Taiwan, South Korea, Thailand, and Indonesia, in part, according to Harrison, because of the strong work ethic of the ethnic Chinese in those countries. On the other hand, in areas such as Haiti, Nicaragua, and much of Africa, development failed to ignite.

For many years, development experts were loathe to discuss culture as a factor in the lack of development. Economists thought that every society would grow with the proper economic incentives—an idea later proved wrong.

Since culture is not genetically inherited—but rather is passed on at home, and through various institutions such as schools and religion—Harrison claims it can be slowly and purposefully changed to further democratic, economic, and political change.

Harrison is currently heading a project studying two dozen countries to determine how their cultures affect development and how they have been or can be changed if development is their key priority.

Early childhood education, parenting classes, religion, journalism, entertainment media, and public policy are some areas where a culture can be influenced, said Harrison, who was Mission Director in Nicaragua, Haiti, Guatemala, Costa Rica, and the Dominican Republic before his retirement in 1982.

Harrison said when he joined the Agency in 1962, the development approach of the Alliance for Progress had failed. It was modeled on the Marshall Plan, which had brought significant benefits to Europe and effectively forestalled the rise of communism there.

The Europeans had a strong work ethic and quickly rebuilt their industries. He cautioned that other countries have not experienced such rapid recovery because of "values and attitudes that got in the way."

Even globalization will not help a country that has a stagnant economy, no resources, and a culture of corruption, he said. According to Harrison, the lack of education for women in most Muslim and some African countries is an example of one cultural factor that inhibits growth and keeps people mired in poverty.

The U.N.'s *Arab Human Development Report*, prepared by Arab experts last year, criticized Arab societies for lack of democracy, women's rights, and innovation. Harrison said he hoped "the new Iraqi leaders hire the authors of the report as permanent consultants."

Regarding Iraq, Harrison said education would pay off in the long term, and he advised getting the Iraqi religious leadership involved in the process of development. ★

## The Marshall Plan and the MCA

When President Bush asked his advisors to design the Millennium Challenge Account to fight the poverty that breeds terrorism, attention turned to the successful Marshall Plan, the basis of modern foreign assistance.

President Truman launched the plan in 1948, when the war-torn nations of Europe proved unable to rebuild on their own and began to experience instability from communist movements sponsored by the Soviet Union.

From 1948 to 1952, the Marshall Plan funneled over \$13 billion in commodities and assistance from the United States so Western Europe could recover its strength.

- ◆ Countries signed agreements and prepared recovery plans approved by the Marshall Plan administration and other participating countries.

- ◆ Recovery plans addressed how countries would balance their budgets, restore financial stability, and stabilize their exchange rates.

- ◆ All grants, loans, and technical assistance required a match: \$13.3 billion from the United States generated an additional \$8.6 billion in local currency.

- ◆ Staff size started out at 400 in Washington and 600 in Paris, but quickly expanded.

Many scholars say that the Marshall Plan's success is not easily repeated because it provided food and machinery to fix material problems. They say that Europe's prewar experience with markets, entrepreneurship, property rights, bankruptcy codes, and the rule of law contributed to the rapid recovery.

"The success of the Marshall Plan has generated the false hope that the application of capital and technology could do for Third World countries, inner cities, and post-communist Europe what was

achieved in Western Europe in the wake of World War II," said former Kennedy administration official and development expert Walt Rostow. "Unlike these areas, Western Europe did not need to be invented—it simply had to be recalled."

Rostow said that two Marshall Plan principles should guide U.S. assistance today: bipartisan support and a multilateral approach. The latter he said, "provided an essential element of dignity and partnership to even the smallest powers."

Other Marshall Plan scholars emphasize that recovery plans required countries to adopt sound macroeconomic policies.

James Silberman, 92, veteran of the Marshall Plan, stresses the contribution made by technical assistance, an unheralded aspect of the program that allowed thousands of Europeans and, later, Asians to visit farms and factories in the United States. Extensive anecdotal evidence suggests the visits contributed to the 3–4 percent gains in industrial productivity before macroeconomic policies were harmonized and private investment began.

When Silberman visited 50 European factories in 1948, he found that production, management, and marketing practices stuck in a pre-industrial era. He recommended bringing Europeans to the United States so they would "believe the difference."

Upon their return, factory owners and foremen reorganized industrial plants to lower costs, raise quality, increase production, and manufacture and market goods on a mass scale. The program was so extensive that every factory in France and Britain with more than 50 people was able to send at least one person on a four-to-six-week tour. Silberman calls these study tours the "largest mass transfer of technology in world history." ★

## Agency PMA Scores Improve: Three Greens

▲ FROM PMA ON PAGE 1

The activities of two BTEC subcommittees were cited as reasons for receiving the improved progress scores for e-government and financial management.

The Enterprise Architecture (EA) subcommittee vetted a plan to develop a blueprint of the Agency's business lines and information technology systems. The Capital Planning and Investment Control (CPIC) subcommittee presented broader policy guidance for selecting information technology investments. ★

### USAID'S SCORE AS OF MARCH 31, 2003

#### PROGRESS IN IMPLEMENTING PRESIDENT'S MANAGEMENT AGENDA



A stoplight scoring system is used: ● Green for success, ● Yellow for mixed results, ● Red for unsatisfactory

[www.results.gov/agenda/scorecard02.html](http://www.results.gov/agenda/scorecard02.html)

## Afghan Update

▲ FROM AFGHAN UPDATE ON PAGE 1

Although there remain deep-rooted problems in Afghanistan—such as attacks by followers of the Taliban and terrorist leader Osama bin Laden, many launched from hideouts in Pakistan's border regions—much useful work has been accomplished to restore normal life.

In past 18 months, more than 15 million textbooks were distributed to Afghan schoolchildren—including girls, who are in school for the first time in years. Some 1,000 schools are to be built or rehabilitated, and 30,000 teachers have been trained. In addition, while basic health care services are being provided to 2 million people in 21 provinces, 72 clinics and hospitals have been rehabilitated, and 4 million children have been vaccinated against measles and polio.

Work continues on schedule to restore the Kabul-Kandahar-Herat highway—the critical road link between the country's major cities and with the rest of the world. USAID will complete the first layer of paving for the 300-mile section between Kabul and Kandahar by the end of 2003.

On May 14, USAID announced the award of a three-year \$100 million contract to Management Sciences for Health to strengthen the overall health system in Afghanistan. The program, entitled Rural Expansion of Afghanistan's Community-based Healthcare (REACH), will provide basic and essential health services to an estimated 16.5 million people each year. ★

### Hunger Increasing in Ethiopia

The number of Ethiopians affected by hunger is expected to increase to 14 million when the Horn of Africa enters its traditional "hungry period" before the next harvest.

The U.S. Centers for Disease Control and Prevention report that death rates—especially among children—are above emergency benchmarks in 20 out of 32 districts examined in drought-affected areas. Acute malnutrition and diseases are spreading. Ironically, while seasonal rains are below average in some areas, flooding is a threat in others.

The United States has already shipped 755,000 metric tons of food valued at \$342 million, and provided over \$28 million for emergency health, nutrition, water, sanitation, and agricultural recovery. USAID sent a five-person Disaster Assistance Response Team (DART) to Ethiopia May 9 to assess the potential of famine.

The State Department issued a diplomatic alert relating to the crisis to all donor countries and to countries, such as China and Russia, that do not normally grant assistance.

The European Union has pledged 293,000 tons of food, Japan pledged 50,000, and petroleum exporters pledged 27,000 tons, but these shipments are yet to be completed.

### Congo Chaos Continues

According to a representative of USAID's Office of Foreign Disaster Assistance (OFDA), the basic needs of the Congolese were being met, but the security situation is precarious. Since May 12, the United Nations and NGOs have been delivering medical aid and setting up water points in the camps. Medical services and a therapeutic feeding center were established near the main U.N. compound.

World Vision International reported that approximately 50,000 people were fleeing Bunia on foot, heading toward Eringeti, 90 miles south. OFDA's representative arrived in Eringeti on May 16. OFDA-funded NGOs, including MERLIN, Solidarities, Première Urgence, SCF/UK, and German Agro-Action were preparing to receive the Congolese.

Two Congolese Red Cross Society volunteers were killed while carrying out humanitarian duties in Bunia on May 11.

### Indonesia Bars Aid Workers

As an Indonesian military offensive intensified against Muslim fundamentalist separatists in the province of Aceh, foreign aid workers were advised May 27 to leave the province because of security concerns.

Indonesia's foreign ministry said foreign assistance should be channeled through the Indonesian Red Cross.

### Aid Increased for Bangladesh

World Bank aid to Bangladesh will climb from \$300 million to \$554 million in the 2003 fiscal year, according to Frederick Temple, country director for the bank.

The World Bank increased its aid because of better financial management, macroeconomic stability, and other efforts to alleviate poverty in Bangladesh, Temple told reporters.

"Good governance, law and order, security, and human rights are important issues needed to attract foreign assistance and investment," he added. About half of the country's 130 million people are still without enough food or other basic necessities, officials say.

### Bush Announces Volunteer Program

In his commencement address at the U.S. Coast Guard Academy, President Bush announced the creation of Volunteers for Prosperity, which will mobilize highly skilled volunteers to take part in international development and humanitarian work, especially in programs supported by USAID.

Volunteers for Prosperity will be a new program under the USA Freedom Corps, the White House coordinating council for volunteerism created by the President in 2002.

The new program will be different from the Peace Corps, which trains and deploys volunteers for postings of two years. Instead, Volunteers for Prosperity will arrange for highly skilled volunteers to work for flexible periods—from as brief as two weeks to as long as several years.

President Bush has proposed doubling the size of the Peace Corps—from 7,500 to 15,000 volunteers—over the next five years.

### \$15 Billion HIV/AIDS Bill Signed

President Bush signed the U.S. Leadership Against HIV/AIDS, Tuberculosis and Malaria Act of 2003 into law May 27. The law provides \$15 billion over the next five years to the most HIV/AIDS-afflicted countries in Africa and the Caribbean: Botswana, Côte d'Ivoire, Ethiopia, Guyana, Haiti, Kenya, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda, and Zambia.

The target countries have nearly 20 million HIV-infected people—almost 70 percent of the total in Africa and the Caribbean.

This is the largest single commitment for an international public health initiative involving a specific disease. The President will nominate a global AIDS coordinator to work closely with State, Health and Human Services, USAID, and the Centers for Disease Control and Prevention.

# Exhibit Opens at USAID *Cubans and Their Loved Ones*

Mel Martínez, Secretary of Housing and Urban Development, and Administrator Natsios opened May 21 an exhibit of 30 photos of Cuban political prisoners and their families. USAID will host the exhibit for 44 days to remember 44 years of oppression under the Castro regime. The exhibit is on loan from the Center for a Free Cuba.

"We call upon the Cuban regime to release those brave prisoners of conscience and end systemic human rights abuses once and for all," said Martínez.

The opening ceremony was attended by Rep. Ileana Ros-Letinen (R-Fla.); Rep. Lincoln Díaz-Balart (R-Fla.); Rep. Mario Díaz-Balart (R-Fla.); Rep. Mark Foley (R-Fla.); Otto J. Reich, Special Envoy for Western Hemisphere Initiatives, National



Security Council; Adolfo A. Franco, Assistant Administrator, Bureau for Latin America and the Caribbean; and Frank Calzón, Executive Director of the Center for a Free Cuba.

"Cubans and their Loved Ones" tells the story of people from all walks of life who

were persecuted by the Castro regime for questioning it.

The exhibit will run through July 3 at the USAID Information Center. ★

By Luigi Crespo, Public Affairs Officer, LPA