

# **UZBEKISTAN**

## **RESULTS, REVIEW AND RESOURCE REQUEST**

**(R4)**

**USAID Central Asia Regional Mission**

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## **I. OVERVIEW AND FACTORS AFFECTING PROGRAM PERFORMANCE**

The development context in Uzbekistan has changed significantly over the past year, and Uzbekistan has proven a reluctant reform partner in some key areas. Most notably, Uzbekistan continues to assert that it will follow a program of gradual, step-by-step reform in which the state remains dominant.

The reluctance of Uzbek officials to relinquish control to market forces has led to unsuccessful economic policies over the past year. After some movement in 1995-96 toward a free market economy, the government took significant steps backward starting in the autumn of 1996 when it restricted access to foreign currency. The GOU, after a tentative start at privatization, auctioned 300 medium and large state-owned enterprises to privatization investment funds which are mutual fund-like organizations set up with World Bank assistance as investment and capital creating vehicles. However, the GOU has failed to honor its commitment to the World Bank to produce a second tranche of 300 large and medium state-owned companies to be privatized.

At the same time as it restricted currency convertability, the GOU also boosted the money supply, reversing a trend toward lower inflation which ultimately rose to an annual rate of over 120 percent in the first part of 1997. Inflation has since dropped sharply, as the GOU has kept the money supply tight during the remainder of 1997. Simultaneously, the Uzbekistan currency's relative stability dissolved in late 1996. The official rate has risen in one year from the upper 30's (soum to dollar) to over 80. Over the same period, the black market rate has moved from the 50's to the 190's. The budget deficit, according to official figures, is projected to drop from 3.5 percent of GDP in 1996 to 3 percent in 1997. However, many expenditures are off-budget, meaning the actual deficit is almost certainly higher.

As a direct result of these governmental decisions, the private sector quickly contracted activities, and foreign and local business persons have reduced current and planned investment levels. Should the restrictions be lifted, however, investors would be quickly drawn back by Uzbekistan's diverse economic base, composed of agricultural, industrial, and energy resources. Wise, market-oriented exploitation of these resources could fuel economic prosperity in this potentially rich nation.

Uzbekistan has also exhibited inconsistent performance in the democracy and human rights areas. While such steps as the creation of a human rights ombudsman provide a legislative base for future improvements on the democratization front, the government has still not displayed a commitment to freedom of the press or freedom of expression. The applications of two human rights NGOs for registration continue to languish. A new NGO law drafted with UN assistance also languishes in the ministry of justice. International and domestic human rights groups estimate that there are 20-30 political prisoners in Uzbekistan. Government crackdowns in the past year have focused on unofficial Islamic activists, many of whom have been arrested on trumped up drugs or weapons charges.

However, an overall growing NGO sector points to government tolerance for citizen activities in less controversial areas such as artisan development, lawyers' associations, and judges' associations. Already, more than 300 grass-roots NGOs are growing. Additionally, the existence of more than 45 independent television stations, 30 are presently broadcasting, again points to government tolerance for activities not in direct opposition to official policies.

US assistance activities continued to focus on creating conditions that encourage the transition to a market economy and democratic society. FY 1997 saw a significant expansion in the programs aimed at creating the legal and regulatory environment necessary for the development of a private sector, and efforts to foster judicial reform began to bear fruit. Activities aimed at environmental problems and mitigation of the Aral Sea disaster focused more narrowly on specific regional water resources management issues that, in part, cause the problem. Because family planning training programs appear to have succeeded in reducing abortion rates and the GOU is now interested in systemic health system reform, assistance efforts are being shifted from the former to the latter. Assistance in the energy sector was significantly augmented by additional technical assistance and training in electric power and in oil and gas development. Training and exchanges of all types remain central to the long term prospects for reform. By working in areas in which the government is willing to move forward, we have made progress which, while slow and incremental, is measurable.

As a final note, global climate change is of concern in Uzbekistan and throughout Central Asia. Over the next five years, Mission efforts in this area will be based upon existing legal and regulatory reforms and environmental programs in the areas of oil and gas and electricity generation, as explained more fully in the Regional R4 for Central Asia.

## II. PROGRESS TOWARD OBJECTIVES

To enable Uzbekistan to use scarce resources efficiently and fairly, the Mission supports activities under the strategic objectives in the chart below. In this connection, the Mission would like to underscore that health earmarks for medical partnerships, infectious diseases, and family planning are all described under SO 4.1 (Special initiatives). Also, the Mission would like to emphasize that the cross-cutting nature of activities under SO 4.2 (Cross-cutting programs) and the fact that the impact of such activities is generally measured in other strategic objectives means that a formal R4 framework and assessment is not required for SO 4.2. Finally, the Mission notes that SO 1.5 (An effective policy framework in place to achieve private investment in an environmentally sound, regionally efficient, market-oriented energy sector) and SO 1.6 (Reduction in regional economic and political tensions generated by transboundary environmental issues) are regional strategic objectives with activities in Uzbekistan. A complete description of their activities is in the Mission's Regional R4 for Central Asia.

**Summary Table of Strategic Objectives with Performance Assessment**

Strategic Objective	Performance Assessment	Evaluation Findings
1.2 Increased soundness of fiscal policies and fiscal management practices	On track with high expectations	No Recent Evaluations
1.3 Accelerated development and growth of private enterprises	Less than expected	No Recent Evaluations
1.4 A more competitive and market-responsive private financial sector	Less than expected	No Recent Evaluations
2.1 Increased, better-informed citizens' participation in political and economic decision-making	Slow progress, as expected	Recent evaluations include the missions's NGO Support project implemented by Counterpart Consortium. Recommendations have been incorporated in Mission activities.
3.2 Improved sustainability of selected social benefits and services	On target	

4.1	Special Initiatives	Satisfactory	Recent evaluation of Mission's SOMARC project for contraceptive social marketing. Recommendations have been incorporated in Mission activities.
4.2	Cross-Cutting Programs	Not applicable	No Recent Evaluations
1.5	An effective policy framework in place to achieve private investment in an environmentally sound, regionally efficient, market-oriented energy sector	Described in Regional R4 for Central Asia	See Regional R4 for Central Asia
1.6	Reduction in regional economic and political tensions generated by transboundary environmental issues	Described in Regional R4 for Central Asia	See Regional R4 for Central Asia

As a final note, there are no environmental issues related to Uzbekistan initiatives.

## **A. SO 1.2: INCREASED SOUNDNESS OF FISCAL POLICIES AND FISCAL MANAGEMENT PRACTICES.**

Overall progress in this Strategic Objective “Increased Soundness of Fiscal Policies and Fiscal Management Practices” is currently on track and is expected to make significant progress in 1998.

USAID strategic objectives in Market Transition contribute directly towards the achievement of the Embassy’s Mission Program Plan Goal I: increase U.S. exports and investments in Uzbekistan. It also contributes to the establishment of Goal II: promote economic and political reform through legal restructuring, privatization, etc. The embassy’s Goal III is to encourage Uzbekistan’s continuing integration into the global economic and political community, which USAID objectives also work towards.

### **1. Performance Analysis**

**SO 1.2: Increased Soundness of Fiscal Policies and Fiscal Management Practices.** In 1997, the indicator “General Government Deficit as a Percent of GDP” has exceeded its target. Progress has been achieved, primarily because Uzbekistan has displayed flexibility in considering fiscal policy and administrative reforms designed to bring social safety net expenditures under firmer control. Movement toward implementation of a modern tax code is also accelerating with the new code taking effect in January 1998. The USAID Fiscal Reform Project in Uzbekistan has developed and submitted to the Ministry of Finance a Budget Revenue Classification System for the Republic of Uzbekistan. This system would permit the Republic to continue to use its existing revenue classification system if it is so desired, but would also give it the ability to electronically convert revenue reports into the classification categories commonly used throughout much of the rest of the world by the International Monetary Fund.

A Memorandum of Understanding (MOU) with the Government of Uzbekistan (GOU) should be signed in early 1998. The current draft MOU commits the GOU to a comprehensive set of specific reform measures during 1998 in each of the major fiscal areas: tax policy, tax administration, and budget system, and fiscal policy and analysis.

These measures include:

- further development of a more efficient, equitable, transparent tax system through the establishment of a fiscal forecasting review process and short- and long-term fiscal analysis plans, and adequate training;

- modernization and reform of the budget development and budget implementation processes, specifically completion and implementation of the budget expenditure and revenue classification system, institution of policy and program analysis in the review of budget requests, and development of agency program structures;

-in the area of tax policy: development and submission of amendments to the Tax Code to make it more fully accord with international standards;

-enactment of a comprehensive set of tax administration policies and procedures by establishing a nationwide reference checking system, effective mechanisms for the control of VAT, further development of the risk-based audit selection system and a fair and consistent internal appeals process.

**Progress rating:** on track

**IR 1.2.1 Central Government Shifted Roles and Responsibilities as Primary Fiscal Manager and Regulator vis-a-vis Local Government, State Owned Enterprises, and Private Sector.** USAID had no activity in this area in 1997. The activity is envisaged in the Memorandum of Understanding that USAID anticipates signing with the Government of Uzbekistan in early 1998.

**Progress rating:** Activity just begun

**IR 1.2.2 Government Complied with International Financial Institutions' Conditions.** The Government of Uzbekistan (GOU) has had major problems satisfying the requirement of IFIs such as the IMF and World Bank. The GOU's lack of compliance in this area has severely hampered the development of Uzbekistan's economy and achievement of results under this strategic objective.

**Progress rating:** Less than expected

**IR 1.2.3 Taxes Are More Fairly and Broadly Applied and Enforced.** Uzbekistan's performance with respect to this indicator has been the strongest of any country in Central Asia, with revenue collections representing a much higher share of GDP than in the other countries of the region. USAID anticipates continued strong performance in this area during the coming year.

**Progress rating:** Solid performance

**IR 1.2.4 Improved Budget Management.** The result has met expectations. Fiscal arrears as a percentage of GDP in 1997 fell from 4.1 to 1.7 percent.

**Progress rating:** As expected

**IR 1.2.4.2 Government Borrowing Is less Inflationary.** While the actual result in 1997 is better than 1996, it still does not meet the very aggressive target that was set. Further progress in this indicator is expected to occur in 1998 as the volume of T-bill trading increases, thus allowing the GOU to finance a greater share of the fiscal deficit using funds from the Ministry of Finance instead of credits from the National Bank.

**Progress rating:** On track

## **2. Expected Progress Through FY 2000 And Management Actions**

Fiscal activities will continue into FY 2000, and beyond. In 1998, USAID will provide only one long-term advisor to assist with tax administration as Uzbekistan's relatively strong performance in this area does not require more concentrated assistance. On the tax administration side, efforts will shift to the effective implementation of the new modern tax code, which should provide greater equity for taxpayers. USAID advisors will concentrate on assisting the STC in the further development and utilization of a comprehensive, computerized tax processing system. In the budget area, USAID will focus on the adoption of a modern budget law, and the introduction of a performance-based budgetary process and basic expenditure rationalization tools designed to promote a greater linkage between program expenditures and performance outcomes.

### 3. Performance Data Tables

<b>STRATEGIC OBJECTIVE 1.2:</b> Increased Soundness of Fiscal Policies and Fiscal Management Practices <b>APPROVED:</b> 12/07/96 <b>COUNTRY/ORGANIZATION:</b> Uzbekistan/USAID/CAR			
<b>RESULT NAME:</b> SO 1.2 Increased soundness of fiscal policies and fiscal management practices			
<b>INDICATOR:</b> General government deficit as a percent of GDP			
<b>UNIT OF MEASURE:</b> Percent  <b>SOURCE:</b> USAID Fiscal Reform Project, Uzbekistan  <b>INDICATOR DESCRIPTION:</b> Expenditures less revenues as a percent of GDP  <b>COMMENTS:</b> Fiscal performance in 1997 has exceeded expectations.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1995(B)		3.5
	1996	3.3	3.6
	1997	3.2	3.0
	1998	3.1	
	1999	3.0	
	2000	2.8	
	2001(T)	2.6	

<b>STRATEGIC OBJECTIVE 1.2:</b> Increased Soundness of Fiscal Policies and Fiscal Management Practices <b>APPROVED:</b> 12/07/96 <b>COUNTRY/ORGANIZATION:</b> Uzbekistan/USAID/CAR			
<b>RESULT NAME:</b> IR 1.2.1 Central government shifted roles and responsibilities as primary fiscal manager and regulator vis-a-vis local government, state owned enterprises, and private sector.			
<b>INDICATOR:</b> Decentralization Ratio			
<b>UNIT OF MEASURE:</b> Percent  <b>SOURCE:</b> USAID Fiscal Reform Project, Uzbekistan  <b>INDICATOR DESCRIPTION:</b> Local government revenues as a percent of total government revenues  <b>COMMENTS:</b> USAID had no activity in this area in 1997. The activity is envisaged in the Memorandum of Understanding that USAID anticipates signing with the Government of Uzbekistan in early 1998.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997(B)		47.0
	1998	50.0	
	1999	53.0	
	2000	56.0	
	2001	59.0	

<b>STRATEGIC OBJECTIVE 1.2:</b> Increased Soundness of Fiscal Policies and Fiscal Management Practices <b>APPROVED:</b> 12/07/96 <b>COUNTRY/ORGANIZATION:</b> Uzbekistan/USAID/CAR			
<b>RESULT NAME:</b> IR 1.2.2 Government of Uzbekistan complied with the International Financial Institution's conditions.			
<b>INDICATOR:</b> Compliance with IMF and other IFI programs			
<b>UNIT OF MEASURE:</b> Yes/No/Partial  <b>SOURCE:</b> USAID Fiscal Reform Project, Uzbekistan  <b>INDICATOR DESCRIPTION:</b> GOU adheres to conditions set forth by the IFIs for additional assistance  <b>COMMENTS:</b> Other donor activity	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1995(B)		
	1996	Y	N
	1997	Y	N
	1998	Y	
	1999	Y	
	2000	Y	
	2001(T)	Y	

<b>STRATEGIC OBJECTIVE 1.2:</b> Increased Soundness of Fiscal Policies and Fiscal Management Practices <b>APPROVED:</b> 12/07/96 <b>COUNTRY/ORGANIZATION:</b> Uzbekistan/USAID/CAR			
<b>RESULT NAME:</b> IR 1.2.3 Taxes are more fairly and broadly applied and enforced			
<b>INDICATOR:</b> Tax compliance rate			
<b>UNIT OF MEASURE:</b> Percent  <b>SOURCE:</b> USAID Fiscal Reform Project, Uzbekistan  <b>INDICATOR DESCRIPTION:</b> Tax revenues as a percent of GDP  <b>COMMENTS:</b> Uzbekistan's performance with respect to this indicator has been the strongest of any country in Central Asia, with revenue collections representing a much higher share of GDP than in the other countries of the region. This indicator should go down as privatization advances in the economy.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1995(B)		34.6
	1996	34.0	34.2
	1997	32.0	31.8
	1998	30.0	
	1999	28.0	
	2000	26.0	
	2001(T)	25.0	

<b>STRATEGIC OBJECTIVE 1.2:</b> Increased Soundness of Fiscal Policies and Fiscal Management Practices			
<b>APPROVED:</b> 12/07/96		<b>COUNTRY/ORGANIZATION:</b> Uzbekistan/USAID/CAR	
<b>RESULT NAME:</b> IR 1.2.4 Improved budget management			
<b>INDICATOR:</b> Fiscal arrears as a percent of GDP			
<b>UNIT OF MEASURE:</b> Percent  <b>SOURCE:</b> USAID Fiscal Reform Project, Uzbekistan  <b>INDICATOR DESCRIPTION:</b> General fiscal deficit (accrued basis) less general fiscal deficit (cash basis) as a percent of GDP  <b>COMMENTS:</b> The result has met the expectations.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1995(B)		n/a
	1996	4.7	4.12
	1997	1.8	1.7
	1998	0.7	
	1999	0.5	
	2000	0.2	
	2001(T)	0.1	

<b>STRATEGIC OBJECTIVE 1.2:</b> Increased Soundness of Fiscal Policies and Fiscal Management Practices			
<b>APPROVED:</b> 12/07/96		<b>COUNTRY/ORGANIZATION:</b> Uzbekistan/USAID/CAR	
<b>RESULT NAME:</b> IR 1.2.4.2 Government borrowing is less inflationary			
<b>INDICATOR:</b> Share of Central Bank of Uzbekistan (CBU) in deficit financing			
<b>UNIT OF MEASURE:</b> Percent  <b>SOURCE:</b> USAID Fiscal Reform Project, Uzbekistan  <b>INDICATOR DESCRIPTION:</b> Share of CBU credit to the Government as a percentage of total deficit financing  <b>COMMENTS:</b> Although the target has not been met, a positive trend is observed.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1995(B)		54.5
	1996	50.0	39.0
	1997	30.0	34.0
	1998	25.0	
	1999	20.0	
	2000	15.0	
	2001(T)	10.0	

## **B. SO 1.3: ACCELERATED DEVELOPMENT AND GROWTH OF PRIVATE ENTERPRISES.**

Being a recently instituted Strategic Objective in Uzbekistan (“Accelerated Development and Growth Of Private Enterprises”), no targets were previously established, and thus progress cannot be measured against those standards. New targets have been set forth in the performance data table included in the Strategic Plan.

As discussed in Part A under strategic objective 1.2, this objective also contributes towards the embassy’s Mission Program Plan.

### **1. Performance Analysis**

**SO 1.3 Accelerated Development and Growth of Private Enterprises.** USAID initiated a trade and investment program designed to educate state officials on the merits, benefits and requirements of the World Trade Organization and to assist in the preparation and adoption of changes to the legal and regulatory framework necessary for accession to the WTO. This project has already assisted the Government of Uzbekistan in preparing its Memorandum of Foreign Trade Regime (MFTR). However, finalization and submission of the MFTR has been delayed several months as the result of sluggish coordination between ministries.

**Progress rating:** Less than expected

**IR 1.3.1 Improved Operating Environment for Private Sector Growth.** The investment climate deteriorated markedly in 1997, as the government tightened foreign exchange controls; severely restricted withdrawal rights from local currency-denominated banking accounts (thus encouraging financial disintermediation); and maintained a highly distortive import/export licensing regime. The business registration and licensing regime is also cumbersome and obstructive. USAID is centering its policy reform support initiatives around a WTO accession support program, through which Uzbekistan will be exposed to the types of trade and investment-related policy and regulatory reforms (and the logic behind them) required for the country to become firmly integrated within the international trading and financial community. This support has thus far focused on support for the development of the MOFTR. This effort seems to have gained visibility recently at the highest levels of government, and there appears to be a renewed emphasis on submission of the MOFTR in early 1998. USAID is also providing technical support to streamline customs procedures and promote WTO-consistent valuation and processing procedures. In addition, USAID has provided support in the drafting of new procurement and foreign investment legislation, again with a strong focus on WTO-consistency. Finally, the CAAEF continues to operate in Uzbekistan. As of late 1997, a total of 10 equity investments for \$23.5 million had been approved (\$16.2 actually disbursed); and 30 loans for approx. \$2.3 million approved (approx. \$1.6 in actual disbursements). Given the lack of reliable access to foreign exchange of current and potential enterprise fund beneficiaries, the Fund is now following a policy of only working with clients whose investments will produce foreign exchange earnings, and is

currently considering a complete cessation of new investment projects.

**Progress rating:** Less than expected

**IR 1.3.1.1 Improved Policies, Laws and Regulations in Place to Ensure Competition and Allow for Easy Market Entry and Exit.** USAID provided intensive technical support on the development of the new Customs Code (passed by Parliament and awaiting Presidential signature), and the new Tariff Law (now in force). In addition, USAID provided strong input into the development of an extremely progressive draft procurement law; developed draft insurance law revisions which would lay the groundwork for competitive private insurance industry development; and has proposed significant revisions to the foreign investment law which would significantly improve the investor rights provisions of the law. The last two efforts involve significant collaboration with senior legal staff in the Presidential Apparatus, which may signal increasing awareness among at least some officials in the upper levels of the government that significant need exists to stabilize and improve the business climate in Uzbekistan.

**Progress rating:** As expected

**IR 1.3.1.2 Administrative Agencies Strengthened to Enforce Policies, Laws and Regulations.** In this indicator, the actual results exceeded the target because of an aggressive training strategy, which reached a large number of people who fill important legal and administrative positions.

**Progress rating:** Better than expected

**IR 1.3.2 Human Resources Improved to Function in a Market Economy.** In this indicator, the results are close to the target, due to the large number of people trained at the Ministry of Foreign Relations, the Customs Committee, the Cabinet of Ministers, and other ministries on WTO-related issues.

**Progress rating:** As expected

## **2. Expected Progress Through FY 2000 And Management Actions**

At these early stages, it is difficult to gauge the progress for this Strategic Objective until Uzbekistan's attitude and commitment to a pro-market investment climate is clarified. A positive movement could lead to expanded technical assistance in the areas of trade and investment and commercial law reform, which would continue probably up to and beyond FY 2000; a continued sluggish response could result in the discontinuation of the entire effort. In the microenterprise area, the CAAEF plans to replicate its current microlending program in Kazakhstan (operated through Mercy Corp) in Uzbekistan during the 1998-99 period.

It is an open question whether the Central Asian-American Enterprise Fund (CAAEF) can

expand its investment and lending activities, given the highly distortionary foreign exchange management regime now in place. Assuming a renewed government commitment to establishing a more favorable business climate, technical and training support in the broader commercial law and regulatory reform areas would be initiated in 1998 and continue through at least 2000. However, if it appears the Government is unwilling to adopt major changes in its trade/investment regime, the legal reform-related support program will be more rapidly phased down.

### 3. Performance Data Tables

<b>STRATEGIC OBJECTIVE: 1.3</b> Accelerated development and growth of private enterprises. <b>APPROVED:</b> 7/12/1996 <b>COUNTRY/ORGANIZATION:</b> Uzbekistan/USAID/CAR			
<b>RESULT NAME:</b> Accelerated development and growth of private enterprises.			
<b>INDICATOR:</b> Increase in private sector GDP market shares.			
<b>UNIT OF MEASURE:</b> Percent  <b>SOURCE:</b> Ministry of Finance  <b>INDICATOR DESCRIPTION:</b> Share of GDP generated by private enterprises.  <b>COMMENTS:</b> Positive trend. The target has been met.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996	-	26.0
	1997	30.0	30.0
	1998	40.0	
	1999	50.0	
	2000	60.0	
	2001	65.0	

<b>STRATEGIC OBJECTIVE: 1.3</b> Accelerated development and growth of private enterprises. <b>APPROVED:</b> 7/12/1996 <b>COUNTRY/ORGANIZATION:</b> Uzbekistan/USAID/CAR			
<b>RESULT NAME:</b> IR 1.3.1 Improved operating environment for private sector growth.			
<b>INDICATOR:</b> Increase in private sector capital investment.			
<b>UNIT OF MEASURE:</b> Percent  <b>SOURCE:</b> Ministry of Finance  <b>INDICATOR DESCRIPTION:</b> Percent of total capital investment in a private sector.  <b>COMMENTS:</b> Positive trend. The target has been met.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996	-	17.3
	1997	20.0	25.3
	1998	30.0	
	1999	50.0	
	2000	55.0	
	2001	60.0	

**STRATEGIC OBJECTIVE: 1.3** Accelerated development and growth of private enterprises.  
**APPROVED:** 7/12/1996 **COUNTRY/ORGANIZATION:** Uzbekistan/USAID/CAR

**RESULT NAME: 1.3.1.1** Improved policies, laws and regulations in place to ensure competition and allow for easy market entry and exit.

**INDICATOR:** Critical policies, laws and regulations that are consistent with international standards are published.

**UNIT OF MEASURE:**

- 1) Number of policies, laws and regulations
- 2) Number of major legislative initiatives, treaty accessions and significant policy determinations

**SOURCE:** USAID Trade and Investment Project Report.

**INDICATOR DESCRIPTION:** Number of policies, laws, and regulations published and major legislative initiatives, treaty accessions and significant policy determinations drafted and implemented with USAID assistance.

**COMMENTS:** The USAID Commercial law project assisted in preparation of the Customs Code (being adopted), the Custom Tariff Law (being adopted), the Anti-dumping Law (being drafted), the Law on Government Procurement (being finalized by the Cabinet of Ministers).

YEAR	PLANNED	ACTUAL
1996	-	1) 6 2) 2
1997	1) 4 2) 5	1) 4 2) 4
1998	1) 6 2) 7	
1999	1) 7 2) 10	
2000	1) 10 2) 11	
2001	1) 14 2) 12	

<b>STRATEGIC OBJECTIVE: 1.3</b> Accelerated development and growth of private enterprises. <b>APPROVED:</b> 7/12/1996 <b>COUNTRY/ORGANIZATION:</b> Uzbekistan/USAID/CAR			
<b>RESULT NAME: 1.3.1.2</b> Courts and Administrative agencies strengthened to enforce policies, laws and regulations			
<b>INDICATOR:</b> Number of legal and administrative positions trained by USAID			
<b>UNIT OF MEASURE:</b> Number of key legal and administrative positions  <b>SOURCE:</b> USAID Trade and Investment Project Report.  <b>INDICATOR DESCRIPTION:</b> Number of legal and administrative positions trained by USAID  <b>COMMENTS:</b> Through the USAID Commercial law Training program and other training efforts from other USAID contractors (Trade and Investment and Commercial Law Projects), USAID was able to exceed the planned number of administrative and legal personnel trained in commercial law reform topics.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996	-	0
	1997	30	79
	1998	100	
	1999	200	
	2000	250	
	2001	270	

<b>STRATEGIC OBJECTIVE: 1.3</b> Accelerated development and growth of private enterprises. <b>APPROVED:</b> 7/12/1996 <b>COUNTRY/ORGANIZATION:</b> Uzbekistan/USAID/CAR			
<b>RESULT NAME: IR 1.3.2</b> Human resources improved to function in a market economy.			
<b>INDICATOR:</b> Number of people trained.			
<b>UNIT OF MEASURE:</b> Number  <b>SOURCE:</b> USAID Trade and Investment Project Report.  <b>INDICATOR DESCRIPTION:</b> Number of people trained through seminars, round tables or one -on-one encounters.  <b>COMMENTS:</b> This number includes people trained at the Ministry of Foreign Economic Relations (on the job), Customs Committee, Cabinet of Ministries.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996	-	162
	1997	200	179
	1998	300	
	1999	600	
	2000	650	
	2001	700	

## **C. SO 1.4: A MORE COMPETITIVE AND MARKET -RESPONSIVE PRIVATE FINANCIAL SECTOR**

Overall progress in the strategic objective is still developing. As discussed in Part A under strategic objective 1.2, this objective also contributes towards the embassy's Mission Program Plan.

### **1. Performance Analysis**

**SO 1.4 A More Competitive and Market -Responsive Private Financial Sector.** Progress in this area is going slower than in other Central Asian republics in which USAID provides such assistance as a result of distortive foreign exchange management policies and restrictive controls on assets to local currency denominated accounts. In the securities market area, the Privatization Ministry continues to play the key role in securities market regulation, resulting in a clear conflict of interest situation and directly impugning the integrity of the securities market regulatory framework.

**Progress rating:** Less than expected

**IR 1.4.1 Government Regulatory Agencies Supervise, Administer and Enforce Legislation.** Assessed regulatory capacity is partially in place and functioning as expected. Over the past year, USAID has assisted with bank supervision training to the National Bank and commercial bank managers in Uzbekistan, with emphasis given to on-site examination policy and procedures, supervision of off-site examinations, database development, organizational structure, liquidations, licensing and legal infrastructure development. In the securities market area, a comprehensive regulatory framework for effective financial reporting and oversight needs to be established and the surveillance and enforcement staff upgraded.

**Progress rating:** As expected

**IR 1.4.2 More Forms of Financial Intermediation Are Institutionalized and Effectively Supply the Private Sector on a Competitive Basis.** The number of different types of financial services increased in 1997. However, nearly all the financial services available were directly provided or controlled by the Central Bank. The financial sector still needs to provide fundamental services such as a market-driven foreign exchange allocation system, credit facilities, the further development of the legal/regulatory structure and intermediary institutions required to support the securities market development process, deposit and checking accounts, and a more market oriented and sustainable pension system. Securities market services are rudimentary and almost completely state controlled. In 1998, USAID will target this area.

**Progress rating:** Less than expected

### **IR 1.4.2.3 Public Pension Fund Effectively Collects And Allocate Pension**

**Contributions.** There are no pension arrears in Uzbekistan, and social tax collections and compliance are better than any nation in the region. However, the pay-as-you-go system will need reform if it is to remain solvent in the future, so a USAID inspired inter-ministerial pension reform working group, has written a concept paper outlining needed reform along the lines of the establishment of a defined contribution, multi-tiered pension system with a significant private component. These suggested reforms appear to have broad-based support in the Uzbek government.

The target has been met, although meaningful pension reforms have not been yet adopted by the Government of Uzbekistan.

**Progress rating:** Better than expected

## **2. Expected Progress Through FY 2000 And Management Actions**

In 1998, USAID will focus on the development of legal/regulatory and accounting reforms designed to strengthen the banking sector financial reporting and performance requirements, and to introduce greater transparency into banking sector transactions. Assuming that current distortive monetary management and corollary banking policies are removed in the near to medium term, and commercial banks are subject to heightened competitive pressures, it will be important that the Central Bank have the capacity to enforce strict financial performance standards at that time. In the securities market area, USAID will promote the establishment of an independent and professional securities market regulatory institution, and the development of the organizational and technical infrastructure necessary to support the development of a stable and competitive securities market. The USAID-supported reform of the public pension system, and movement toward a multi-tiered pension system with a significant private sector component, should both improve the long-term financial position of the public pension system and provide a significant demand-side stimulus to securities market development.

### 3. PERFORMANCE DATA TABLES

<b>STRATEGIC OBJECTIVE 1.4:</b> A More Competitive and Market Responsive Private Financial Sector <b>APPROVED:</b> 07/12/1996 <b>COUNTRY/ORGANIZATION:</b> Uzbekistan/USAID/CAR			
<b>RESULT NAME:</b> A more competitive and market responsive private financial sector			
<b>INDICATOR:</b> Bank deposits as percent of GDP			
<b>UNIT OF MEASURE:</b> percent  <b>SOURCE:</b> The Central Bank of Uzbekistan  <b>INDICATOR DESCRIPTION:</b> Private sector deposits in Uzbekistan's banking system as percent of GDP  <b>COMMENTS:</b> Private sector deposits will increase in 1998 only if the GOU adopts more flexible exchange rate management policies and relaxes bank deposit controls in a manner which will begin to restore public confidence in the banking system.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1995(B)		4.0
	1996	--	4.2
	1997	4.5	4.4
	1998	4.7	
	1999	6.0	
	2000	10.0	
	2001	15.0	

**STRATEGIC OBJECTIVE 1.4:** A More Competitive and Market Responsive Private Financial Sector

**APPROVED:** 07/12/1996

**COUNTRY/ORGANIZATION:** Uzbekistan/USAID/CAR

**RESULT NAME:** Government regulatory agencies supervise, administer and enforce legislation.

**INDICATOR:** Assessed regulatory capacity in place and functioning.

**UNIT OF MEASURE:** Yes/No/Partial

**SOURCE:** Central Bank of Uzbekistan

**INDICATOR DESCRIPTION:** USAID assessment of regulatory readiness of the Central Bank

**COMMENTS:** USAID has provided targeted and intensive technical support and training to supervision staff in the areas of on-site examination policy and procedures, off-site examinations, database development, organizational structure, licensing and legal infrastructure development.

YEAR	PLANNED	ACTUAL
1995(B)		N
1996	P	P
1997	P	P
1998	P	
1999	Y	
2000	Y	
2001	Y	

**STRATEGIC OBJECTIVE 1.4:** A More Competitive and Market Responsive Private Financial Sector  
**APPROVED:** 07/12/1996      **COUNTRY/ORGANIZATION:** Uzbekistan/USAID/CAR

**RESULT NAME:** More forms of financial intermediation are institutionalized and effectively supply the private sector on a competitive basis.

**INDICATOR:** Increasing number of financial services available.

**UNIT OF MEASURE:** Number

**SOURCE:** Central Bank, the Ministries

**INDICATOR DESCRIPTION:** Number of distinct financial services available

**COMMENTS:** For the years of 1997 and 1998 this strategic objective seeks to build a legal/regulatory structure to provide the foundation for private sector banks and capital market institutions; establish private-sector institutions; and develop some of the governmental supervisory bodies for the financial sector.

YEAR	PLANNED	ACTUAL
1996	--	12
1997	9	13
1998	11	
1999	13	
2000	15	
2001	17	

**STRATEGIC OBJECTIVE 1.4:** A More Competitive and Market Responsive Private Financial Sector

**APPROVED:** 07/12/1996

**COUNTRY/ORGANIZATION:** USAID/Uzbekistan

**RESULT NAME:** Public pension fund effectively collects and allocates pension contributions

**INDICATOR:** Public pension contributions collected and properly allocated to pension system stated as percent of GDP

**UNIT OF MEASURE:** percent

**SOURCE:** Ministry of Social Protection

**INDICATOR DESCRIPTION:** contributions collected as a percent of GDP

**COMMENTS:** Meaningful fiscal containment based pension reforms which have helped to financially stabilize the existing pay-as-you-go state pension system have been successfully adopted and implemented. A more thorough-going, multi-pillar USAID inspired pension reform effort is currently underway. An interministerial working group has agreed upon a concept paper outlining this reform. 1998 should see these reform concepts drafted and adopted as legislation by the Government of Uzbekistan.

YEAR	PLANNED	ACTUAL
1995(B)		5.0
1996	6.0	6.5
1997	6.8	7.0
1998	7.2	
1999	8.0	
2000	8.2	
2001	8.3	

#### **D. SO 2.1: INCREASED, BETTER-INFORMED CITIZENS' PARTICIPATION IN POLITICAL AND ECONOMIC DECISION-MAKING**

The strong power of the Presidency limits work on developing independent governing agencies. In Uzbekistan, the successful transition to democracy is dependent upon the government's perception of how a more democratic environment serves the interests of those in power. USAID/CAR assistance takes that into consideration. USAID/CAR's strategy is to continue its successful work with the NGO and independent electronic media sectors. Additionally, USAID/CAR is providing feedback into the development of new laws and pursues an opportunistic policy to work with different levels of government on transparency.

No significant changes have occurred in the broader development context over the past year which would cause this strategy to be altered. With only scattered exceptions, the Government's performance on political reform remains unimpressive. However, the creation of a human rights ombudsman provides a legislative base for future improvements on the democratization front, and the independent associations of advocates and judges were founded, reflecting high level Government support for the establishment of an independent judiciary. Also, the Government continued to allow the number of television and radio stations to grow significantly. On the other hand, the Government has still not displayed a commitment to freedom of the press or freedom of expression. Human rights abuses continue: there are estimated to be some 20-30 political prisoners, and there have been crackdowns on unofficial "Islamic activists," many of whom have been arrested on questionable charges.

In this context, participation remains the central element of USAID/CAR's short term strategy for the democratic transition in Uzbekistan. The Government has permitted the registration and development of NGOs that are not advocating a political agenda and appears willing to allow some advocacy on social and economic issues. However, the applications of two human rights NGOs for registration continue to languish, and a new NGO law drafted with U.N. assistance is stalled in the Ministry of Justice. In light of the fact that NGOs are working in a system that does not guarantee the right to free assembly and freedom of association, USAID/CAR assistance in the short term emphasizes strengthening of NGOs rather than advocacy with the Government. Since the independent media endures the same lack of respect for privacy, for the time being USAID/CAR will continue assisting development of this sector media mostly in apolitical terms.

A major test of Government commitment to further democratic reforms will be in the election area. USAID/CAR is providing assistance in electoral law reform and voter education. The test will be the Government's willingness to meet benchmarks which will be established this year by USAID/CAR the US Mission with USAID taking a lead role, the Government and the OSCE and possibly other countries and organizations.

Based on concerns that performance indicators for SO 2.1 were not adequately reflecting progress toward achieving the strategic objective, USAID/CAR significantly revised its SO 2.1 indicators at all levels. Since the indicators were revised late in 1997, we have not been able to collect data for some of the new indicators, particularly those requiring the procurement of public opinion surveys. USAID/CAR is confident that the revised set of indicators provides a more accurate representation of USAID's performance in the democracy sector.

The embassy's Mission Program Plan Goal V, which is "to assist and monitor the appreciation for and the development of free media," and Goal IV, which promotes "the development of civic education and the development of civic culture to include the study of constitutions, rule of law, the electoral process, public institutions, human rights, and the skills of tolerance" are addressed within USAID Strategic Objective 2.1. The mission's SO 2.1 also seeks to promote economic and political reform through legal restructuring, and encourages free multi-party elections, as well as encourage Uzbekistan's integration into the global economic and political community which are covered under the embassy's MPP goals II and III.

## **1. Performance Analysis**

**IR 2.1.1 Increased Citizens' Participation.** USAID/CAR changed many of its indicators for this Intermediate Result during FY97, in order to reflect the capabilities and relevant activities of NGOs. It is therefore difficult to describe performance in terms of previous year targets and indicators.

Indicator results from Uzbekistan are surprising. 199 NGOs contacted media organizations regarding their work this year, but only one contacted the government. The one that contacted the government received a positive response. So much effort with the media and so little with the government is telling of the Uzbek people's impressions of their society. The NGO sector in general is active, but is apolitical. Only one percent of NGOs improved their advocacy skills. As the government does not feel threatened by the non-political nature of the NGOs, it will allow the sector to grow. As NGOs grow stronger individually and collectively, and the GOU becomes accustomed to NGOs meeting the social and economic needs of their members, it should become increasingly possible for the NGOs to advocate for the special social and economic needs of their members with the Government (eg. Disabled groups lobbying the Government to improve public access for the disabled). USAID continues to work with the NGOs, to educate government officials on the role of NGOs, and to strengthen the ability of NGOs to seek government support for the needs of their members.

**Progress rating:** Meeting expectations

**IR 2.1.2 Increased Availability of Information.** USAID/CAR changed its indicators for this Intermediate Result during FY97, in order to reflect the number of citizens who can access

independent news, rather than the number of independent television and radio stations. It is therefore difficult to describe performance in terms of previous year targets and indicators.

While 3.3 percent of major cities receiving daily independent local news broadcasts is low, it is indicative of the stringency of the indicator. Most stations in Uzbekistan broadcast news two or three times a week, and strive to broadcast daily. The daily news indicator is intended to show progress over time. The average daily minutes of independent local news programming is 5.9, down from 15 last year. The explanation for this lower indicator is that there are new stations in Uzbekistan this year, which are just beginning to broadcast news. The higher number of stations decreases the national average of broadcast minutes. A good sign of progress in Uzbekistan, which is not an indicator, is that the number of stations participating in the weekly local news exchange has increased from six, at the time of USAID/CAR's previous R4 presentation, to eighteen at the end of 1997. Investigative reporting has improved as well, even leading to a gas station manager being fired for overcharging for gasoline.

**Performance rating:** Meeting expectations

**IR 2.1.3 Increased Transparency, Responsiveness and Accountability on the part of the government.** Though, in general, the progress toward achieving this IR was limited, the democracy team saw noticeable steps in some areas. One of the first actions of the newly formed judges' association was the adoption a code of ethics to which all judges in Uzbekistan must adhere. After initial resistance from the government, IFES conducted a successful briefing on its political and economic survey for NGOs and members of the mass media. USAID/CAR's implementing partners have established productive relationships with two new government entities, the National Commission on Human Rights in the Presidential Apparatus and an ombudsman's office in the parliament. The two individuals heading those offices appear open to dialogue, reform, and USAID/CAR assistance.

**Progress rating:** Progress toward this IR is in line with expectations, though those expectations are realistically modest.

## **2. Expected Progress Through FY 2000 And Management Actions**

**IR 2.1.1 Increased Citizens' Participation.** The democracy team expects to continue progress in increasing citizens' participation in daily life, but increasing citizens' participation in economic and political decision making will be difficult. Citizen's participation is more welcome at the local government level, but is not highly welcome in general. This may change if President Karimov decides to prove himself a democrat during the time leading to the 1999 elections.

The challenge of achieving this Intermediate Result is not a structural problem with the assistance program, but a recognition of the challenge of working with the Government of

Uzbekistan. USAID/CAR continues to expect gradual progress through FY 2000.

**IR 2.1.2 Increased Availability of Information.** USAID/CAR expects to meet its targets relating to the number of people watching independent news and expects slow progress on the indicator citing daily independent news broadcasts. The democracy team's expectations are cautioned by recent passage of a regressive media law which allows the government to shut down stations first and ask questions later. The effect of this law, if not amended as USAID/CAR hopes, will be to dampen stations' enthusiasm for investigative and political reporting. The democracy team is working to form a coalition in Uzbekistan to advocate for amendments to the new media law.

**IR 2.1.3 Increased Transparency, Responsiveness and Accountability on the part of the government.** Clearly many challenges lie ahead. USAID/CAR assistance has not focussed and will not focus many resources toward the parliament based on a realistic assessment of what such assistance would accomplish. A sign of hope, however, can be seen in the fact that six deputies used the media to reach their constituents. Assistance under this IR will focus on laying the groundwork for elections that meet minimum international standards in 1999, with the expectation that more open elections will result in an increase in the number of potential reformers in parliament. Building on the Central Election Commission's receptivity to an IFES analysis of the Uzbekistan electoral law, USAID/CAR, in close coordination with the OSCE, will embark upon a joint election assistance program in preparations for the elections in 1999. Electoral assistance will be contingent upon GOU adherence to a set of benchmarks that will be developed. Assistance will be in stages, and movement from one stage to another will take place only if the benchmark for the respective stage has been met or is near to being met. Assistance will cease if no progress toward the benchmarks is apparent. Correspondingly, a civic/voter education program will seek to increase the level of meaningful voter participation.

### 3. Performance Data Charts

<b>OBJECTIVE:</b> 2.1 Increased, better-informed citizens' participation in political and economic decision-making			
<b>APPROVED:</b> 10/1/97		<b>COUNTRY/ORGANIZATION:</b> Uzbekistan; USAID/CAR	
<b>RESULT NAME:</b> SO 2.1.1 Increased, better-informed citizens' participation in political and economic decision making.			
<b>INDICATOR:</b> Percent of population that consider NGOs to be either essential or necessary.			
<p><b>UNIT OF MEASURE:</b> Using the question below, which IFES included in its 1996 Uzbekistan poll.</p> <p><b>Unit of measure:</b> BRIF or other organization annual public opinion poll will ask:</p> <p style="padding-left: 40px;">How necessary are such organizations - essential, necessary, not very necessary at all?</p> <p><b>SOURCE:</b> Survey by the private polling company.</p> <p><b>INDICATOR DESCRIPTION:</b> Goal is that a high percent of the population consider NGOs essential or necessary, indicating that NGOs are serving as effective instruments of citizen involvement in political and economic decision - making.</p> <p><b>COMMENTS:</b> *FY96 results are from a previous IFES survey.</p> <p>**FY97 data on the questions above are not available because survey will not be complete in time for R4 presentation.</p>	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1995	NA	
	1996	NA	56*
	1997	NA	**
	1998	60	
	1999	65	
	2000	70	
	2001	75	
	2002	80	

<b>OBJECTIVE:</b> 2.1 Increased, better-informed citizens' participation in political and economic decision-making			
<b>APPROVED:</b> 10/1/97		<b>COUNTRY/ORGANIZATION:</b> Uzbekistan; USAID/CAR	
<b>RESULT NAME:</b> SO 2.1.2 Increased, better-informed citizens' participation in political and economic decision making.			
<b>INDICATOR:</b> Percent of citizens who demonstrate they are informed about government institutions and officials.			
<p><b>UNIT OF MEASURE:</b> A list of basic information questions will be included in survey to determine what percentage of the population is made up of informed citizens.</p> <p><b>Unit of measure:</b> Annual public opinion poll. Standard list of 5 questions will be asked annually testing knowledge.</p> <p><b>SOURCE:</b> Survey by private polling company.</p> <p><b>INDICATOR DESCRIPTION:</b> Goal is to increase the number of positive responses, which will indicate that the news offered by independent news media is creating better-informed citizens.</p> <p><b>COMMENTS:</b> *FY96 results are from a previous IFES survey which asked generally about citizens' knowledge about government institutions and officials.</p> <p>**FY97 data on the questions above are not available because survey will not be complete in time for R4 presentation.</p>	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1995	NA	NA
	1996	NA	39*
	1997	NA	**
	1998	45	
	1999	50	
	2000	55	
	2001	60	
2002	65		

<b>OBJECTIVE:</b> 2.1 Increased, better-informed citizens' participation in political and economic decision-making			
<b>APPROVED:</b> 10/1/97		<b>COUNTRY/ORGANIZATION:</b> Uzbekistan; USAID/CAR	
<b>RESULT NAME:</b> SO 2.1.3 Increased, better-informed citizens' participation in political and economic decision making.			
<b>INDICATOR:</b> Ratio of number of contacts by NGOs on government decisions that have positive reception to total number of such contacts.			
<p><b>UNIT OF MEASURE:</b> Percent of sample of NGOs who report attempting to influence government that indicate that officials contacted listened to their positions and appeared interested in understanding their viewpoint, whether or not policy was changed as a result. This indicator is a proxy for acceptance by government of increased citizen/citizen group participation in decision making.</p> <p><b>SOURCE:</b> Counterpart data base.</p> <p><b>INDICATOR DESCRIPTION:</b> Percent of sample of NGOs who report attempting to influence government that indicate that officials contacted listened to their positions and appeared interested in understanding their viewpoint, whether or not policy was changed as a result.</p> <p><b>COMMENTS:</b> New indicator.</p> <p>* This indicator achieved 100% because only one NGO attempted to contact the government and that one NGO received a positive response.</p> <p>** Targets for this indicator decline because the democracy team expects the percentage of positive responses to decline as an increasing number of NGOs attempt to contact the government.</p>	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1995	NA	
	1996	NA	
	1997	NA	100%*
	1998	**15%	
	1999	20%	
	2000	25%	
	2001	30%	

<b>OBJECTIVE:</b> 2.1 Increased, better-informed citizens' participation in political and economic decision-making			
<b>APPROVED:</b> 10/1/97		<b>COUNTRY/ORGANIZATION:</b> Uzbekistan; USAID/CAR	
<b>RESULT NAME:</b> SO 2.1.4 Increased, better-informed citizens' participation in political and economic decision making.			
<b>INDICATOR:</b> Elections are held per international standards at the presidential, parliamentary, and local levels (reported separately).			
<b>UNIT OF MEASURE:</b> IFES will assess using 10 point scale.  <b>Goal:</b> Compliance with all standards.  <b>SOURCE:</b> IFES  <b>INDICATOR DESCRIPTION:</b> The international standards are defined by the Copenhagen Document (Conference on the Human Dimension of the OSCE, Copenhagen 1990. [Paragraphs 6,7 and 8]).  <b>COMMENTS:</b> <b>New indicator.</b> FY95 data is based on IFES technical assessment reports. No elections have taken place since 1995.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
		par/ loca/pres	par/ loca/pres
	1994	NA/NA/NA	3.5/NA/NA
	1995	NA/NA/NA	NA / NA/ 0
	1996	NA/NA/NA	NA/ NA/ NA
	1997	NA/NA/NA	NA/ NA/NA
	1998	NA /NA/NA	
	1999	7/ 7 / 6	

<b>OBJECTIVE:</b> 2.1 Increased, better-informed citizens' participation in political and economic decision-making			
<b>APPROVED:</b> 10/1/97		<b>COUNTRY/ORGANIZATION:</b> Uzbekistan; USAID/CAR	
<b>RESULT NAME:</b> IR 2.1.1.1 NGO participation in civil society strengthened.			
<b>INDICATOR:</b> Increase in number of indigenous NGOs that seek to influence the government or get government support or attention for their activities (advocacy).			
<b>UNIT OF MEASURE:</b> Counterpart data base.  <b>SOURCE:</b> Counterpart  <b>INDICATOR DESCRIPTION:</b> Contacts with media or government officials reported in grant/contract monitoring documents in response to the questions: 1. Did you have any contacts with media organizations regarding NGOs work or issues during the past year? 2. Did you have any contacts with government officials regarding NGOs work or issues during the past year?  <b>COMMENTS:</b> Increased targets for media contacts and decreased targets for government contacts for FY98 through FY2002, due to mixed performance.  *The decrease in government contacts could reflect NGOs' realization that contacts with the media are more effective than contacts with the Government.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
		<b>med./gov.off</b>	<b>med./gov.off</b>
	<b>1995</b>	<b>NA NA</b>	<b>NA NA</b>
	<b>1996</b>	<b>15 10</b>	<b>70 52</b>
	<b>1997</b>	<b>25 15</b>	<b>199 1*</b>
	<b>1998</b>	<b>225 10</b>	
	<b>1999</b>	<b>240 15</b>	
	<b>2000</b>	<b>250 20</b>	
	<b>2001</b>	<b>275 25</b>	
	<b>2002</b>	<b>300 30</b>	

<b>OBJECTIVE:</b> 2.1 Increased, better-informed citizens' participation in political and economic decision-making			
<b>APPROVED:</b> 10/1/97		<b>COUNTRY/ORGANIZATION:</b> Uzbekistan; USAID/CAR	
<b>RESULT NAME:</b> IR 2.1.1.2 NGO participation in civil society strengthened.			
<b>INDICATOR:</b> Percent of NGOs that demonstrate their improved skills in advocacy, community organizing, government relations, and public outreach/education.			
<b>UNIT OF MEASURE:</b> Counterpart data base.  <b>SOURCE:</b> Counterpart  <b>INDICATOR DESCRIPTION:</b> Increased media exposure by NGOs highlighting their role in a democratic society and their achievements in providing services to the community and advocating on their behalf; joint NGO/government seminars and public forums on the need for an effective legal structure to protect the rights of the NGO sector and public interest; growth of NGO coalitions and advocacy groups actively engaged in influencing public policy governing the NGO sector; increased number of community advisory councils; professional associations, and coalitions seeking to influence government policies and community services.  <b>COMMENTS:</b> New indicator	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1995	NA	
	1996	NA	
	1997	NA	1%

<b>OBJECTIVE:</b> 2.1 Increased, better-informed citizens' participation in political and economic decision-making			
<b>APPROVED:</b> 10/1/97		<b>COUNTRY/ORGANIZATION:</b> Uzbekistan; USAID/CAR	
<b>RESULT NAME:</b> IR 2.1.1.3 NGO participation in civil society strengthened.			
<b>INDICATOR:</b> Increased number of sector coalitions.			
<b>UNIT OF MEASURE:</b> Counterpart data base.  <b>SOURCE:</b> Counterpart  <b>INDICATOR DESCRIPTION:</b> Groups of NGOs which are formed around an issue, and have met to discuss this issue.  <b>COMMENTS:</b> Targets increased due to high performance.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1995	0	0
	1996	0	0
	1997	2	5
	1998	7	
	1999	9	
	2000	12	
	2001	15	
2002	20		

<b>OBJECTIVE:</b> 2.1 Increased, better-informed citizens' participation in political and economic decision-making			
<b>APPROVED:</b> 10/1/97		<b>COUNTRY/ORGANIZATION:</b> Uzbekistan; USAID/CAR	
<b>RESULT NAME:</b> IR 2.1.1.4 NGO participation in civil society strengthened.			
<b>INDICATOR:</b> Improved NGO sustainability.			
<b>UNIT OF MEASURE:</b> The democracy roundtable will calculate the NGO sustainability index (per ENI model) every twelve months.  <b>SOURCE:</b> SO 2.1 Extended team  <b>INDICATOR DESCRIPTION:</b> The democracy roundtable will use the ENI NGO sustainability index to assess the sustainability of the NGO sector.  <b>COMMENTS:</b> New indicator. 1 is best, 7 is worst.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1995	NA	
	1996	NA	
	1997	NA	4.98
	1998	4.7	
	1999	4.5	
	2000	4.3	
	2001	4	
	2002	3.7	

<b>OBJECTIVE:</b> 2.1 Increased, better-informed citizens' participation in political and economic decision-making			
<b>APPROVED:</b> 10/1/97		<b>COUNTRY/ORGANIZATION:</b> Uzbekistan; USAID/CAR	
<b>RESULT NAME:</b> IR 2.1.2.1 Information on domestic economic policies and politics available			
<b>INDICATOR:</b> Public availability of draft laws prior to passage by government.			
<b>Long term target:</b> Law requiring publication of draft laws prior to passage by government.			
<b>UNIT OF MEASURE:</b> Performance will be the total points measured against four point criteria.  <b>SOURCE:</b> ABA  <b>INDICATOR DESCRIPTION:</b>  1) Passed laws are published. 2) Practice of making draft law, that has been submitted to Parliament for review, available after the first reading in a public place for review is common practice. 3) Law requires the public availability of draft laws prior to second reading. 4) Schedule of Parliamentary meetings and hearings is publicly available.  <b>COMMENTS:</b> New Indicator	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1995	NA	1
	1996	NA	1
	1997	1	1
	1998	1.5	
	1999	2	
	2000	2	
	2001	3	
	2002	3	

<b>OBJECTIVE:</b> 2.1 Increased, better-informed citizens' participation in political and economic decision-making			
<b>APPROVED:</b> 10/1/97		<b>COUNTRY/ORGANIZATION:</b> Uzbekistan; USAID/CAR	
<b>RESULT NAME:</b> IR 2.1.2.2 Information on domestic economic policies and politics available			
<b>INDICATOR:</b> Increased number of viewers watching independent TV news.			
<b>UNIT OF MEASURE:</b> Rating will be provided by independent rating service.  <b>SOURCE:</b> Ratings survey by the private polling company.  <b>INDICATOR DESCRIPTION:</b> Interviews with a sample of citizens in Angren, Andizhon, Somerkand, Kashi, Djizzak, Zarafshan, Kokand, Margilan, Bagdad, Guliston will produce ratings of TV viewership.  <b>Goals:</b> Increased viewership on independent channels.  <b>COMMENTS:</b> New indicator  *FY97 data on the questions above are not available because survey will not be complete in time for R4 presentation.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1995	NA	
	1996	NA	
	1997	NA	*

<b>OBJECTIVE:</b> 2.1 Increased, better-informed citizens' participation in political and economic decision-making			
<b>APPROVED:</b> 10/1/97		<b>COUNTRY/ORGANIZATION:</b> Uzbekistan; USAID/CAR	
<b>RESULT NAME:</b> IR 2.1.2.3 Information on domestic economic policies and politics available			
<b>INDICATOR:</b> Average daily independent electronic media local TV news programming.			
<b>UNIT OF MEASURE:</b> Unit: Average daily number of minutes from Internews data.  <b>SOURCE:</b> Internews  <b>INDICATOR DESCRIPTION:</b> Average daily minutes of independent local news programming from sample of television and radio stations.  Stations: Orbita(Angren),MTV(Andizhon), STV(Samarkand),Kashi-TV(Karshi), Bakhtior TV(Djizzak),Zarafshan(Zarafshan), Milokot(Kokand),Margilan-TV(Margilan), Bagdad-TV(Bagdad),Aloka-AK(Guliston).  <b>COMMENTS:</b> Decreased targets for FY98 through FY 2000 due to low performance.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1995	NA	3
	1996	30	15
	1997	5	5.9
	1998	7	
	1999	9	
	2000	10	
	2001	12	
	2002	15	

<b>OBJECTIVE:</b> 2.1 Increased, better-informed citizens' participation in political and economic decision-making			
<b>APPROVED:</b> 10/1/97		<b>COUNTRY/ORGANIZATION:</b> Uzbekistan; USAID/CAR	
<b>RESULT NAME:</b> IR 2.1.2.4 Information on domestic economic policies and politics available			
<b>INDICATOR:</b> Increased willingness of in-dependent media to report on democratic processes, public policy issues.			
<b>UNIT OF MEASURE:</b> Questionnaire  <b>SOURCE:</b> Questionnaire  <b>INDICATOR DESCRIPTION:</b> A selected group of Peace Corps volunteers will be given a questionnaire, prepared by Internews, which they will use to evaluate the objectivity of reporting by independent media.  <b>COMMENTS:</b> New indicator.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1995	NA	
	1996	NA	
	1997	NA	*
	1998	NA	
*Questionnaire data will not be available at time of R4 presentation.			

<b>OBJECTIVE:</b> 2.1 Increased, better-informed citizens' participation in political and economic decision-making			
<b>APPROVED:</b> 10/1/97		<b>COUNTRY/ORGANIZATION:</b> Uzbekistan; USAID/CAR	
<b>RESULT NAME:</b> IR 2.1.3.1 Increased responsiveness and accountability of Government to citizens/citizens organizations.			
<b>INDICATOR:</b> Improved election laws and procedures.			
<p><b>UNIT OF MEASURE:</b> Unit: On a scale of seven possible attributes, how many are present in the law.</p> <p><b>SOURCE:</b> IFES</p> <p><b>INDICATOR DESCRIPTION:</b>  Reform of existing laws and adoption of comprehensive codes:</p> <ol style="list-style-type: none"> <li>1) Establish independent and permanent election administration structure;</li> <li>2) Facilitate the participation of political parties in the many phases of the electoral process;</li> <li>3) Establish legal basis for participation of domestic monitors;</li> <li>4) Establish transparent and fair procedures for candidate registration;</li> <li>5) Establish methods to address complaints and adjudicate grievances;</li> <li>6) Provide for adequate public and or private campaign finance</li> <li>7) Establish ethical standards for candidates and mechanisms for addressing violations.</li> </ol> <p><b>COMMENTS:</b>  New indicator</p>	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1995	NA	3
	1996	NA	3
	1997	NA	3
	1998	4	
	1999	5	
	2000	5	
	2001	5	
	2002	5	

<b>OBJECTIVE:</b> 2.1 Increased, better-informed citizens' participation in political and economic decision-making			
<b>APPROVED:</b> 10/1/97		<b>COUNTRY/ORGANIZATION:</b> Uzbekistan; USAID/CAR	
<b>RESULT NAME:</b> IR 2.1.3.2 Increased responsiveness and accountability of Government to citizens/citizens organizations.			
<b>INDICATOR:</b> Increase in citizen understanding of election procedures and rights.			
<p><b>UNIT OF MEASURE:</b> Unit of measure: BRIF or other organization public opinion survey.</p> <p><b>SOURCE:</b> Private survey firm.</p> <p><b>INDICATOR DESCRIPTION:</b> Public opinion survey will determine percent of population that is aware of basic election procedures and rights.</p> <p>1. Which of the following organizations have the rights to nominate candidates for the Oliy Majlis?</p> <p>a. President</p> <p>b. Political Parties</p> <p>c. Akim</p> <p>d. Public Associations</p> <p>e. Self - nomination</p> <p>f. Labor collectives</p> <p>g. Election commissions</p> <p>(more than one choice allowed)</p> <p>2. Does the election law allow you to cast a ballot in place of your spouse?</p> <p>* Yes</p> <p>* No</p> <p>3. Candidates are elected to the Oliy Majlis on the basis of :</p> <p>* which ever candidate receives the most votes</p> <p>* which ever candidate receives 50% of the votes</p> <p>* proportional representation</p> <p><b>COMMENTS:</b> *FY96 results are from a previous IFES survey which asked generally about citizens' knowledge of electoral procedures.</p> <p>**FY97 data on the questions above are not available because survey will not be complete in time for R4 presentation</p>	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1995	NA	
	1996	NA	54*
	1997	NA	**
	1998	60	
	1999	65	
	2000	70	
	2001	75	
	2002	80	

<b>OBJECTIVE:</b> 2.1 Increased, better-informed citizens' participation in political and economic decision-making			
<b>APPROVED:</b> 10/1/97		<b>COUNTRY/ORGANIZATION:</b> Uzbekistan; USAID/CAR	
<b>RESULT NAME:</b> IR 2.1.3.3 Increased responsiveness and accountability of Government to citizens/citizens organizations.			
<b>INDICATOR:</b> Number of parliamentary hearings and committee meetings addressing legislative/policy issues that receive non-governmental input on the national level.			
<b>UNIT OF MEASURE:</b> ABA reports  <b>SOURCE:</b> ABA  <b>INDICATOR DESCRIPTION:</b> ABA reports on number of parliamentary hearings.  <b>COMMENTS:</b>	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1995	NA	0
	1996	NA	0
	1997	1	0
	1998	1	
	1999	2	
	2000	4	
	2001	4	
	2002	4	

## **E. SO 3.2: IMPROVED SUSTAINABILITY OF SOCIAL BENEFITS AND SERVICES**

The activities under this SO are designed to demonstrate efficient health care models, and to build a policy consensus and legal framework for the reforms, provide technical assistance to develop and implement specific products or interventions, provide training to make change a reality, and finally, to inform the public about the reforms and their impact on the population's daily lives. Restructuring the delivery system, introducing competition, improving financing mechanisms, introducing modern management techniques, involving the population in decision-making, and developing a set of minimum benefits which are essential and affordable are important changes that need to be introduced. The activities under SO 3.2 represent an integrated package of reforms which together accomplish the goal of improving the sustainability of social benefits and services, especially in the health sector.

The Mission has narrowed the USAID strategic objective to Reform Strategies in selected social sectors developed and implemented. USAID's strategic objective 3.2 and health sector special initiatives and earmarks conform to the embassy's Mission Program Plan goal VIII, which is to improve the efficiency of Uzbekistan's health care system and promote population control. This objective is on target for completion.

### **1. Performance Analysis**

**SO 3.2 Improved Sustainability of Social Benefits and Services.** The time frame for achieving the above strategic objective was established at two to five years. Progress in many of the stated intermediate results and indicators demonstrates that some aspects of reform, as noted below, are moving more rapidly than others towards the achievement of the mission strategic objective.

**Progress rating:** Better than projected

Four intermediate results are considered to be most significant in accomplishing SO 3.2. They are: 3.2.1, Critical social benefits and services needs identified for vulnerable populations; 3.2.2, Demonstration that quality health care can be made available on a cost effective basis; 3.2.3, National legal and regulatory framework established for housing and health reforms; and 3.2.3.3, Increased participation by other donors. The performance of each of these areas is described below.

**IR 3.2.1 Critical Social Benefits and Services.** Two performance indicators are used, one which demonstrates the successful assessment of the vulnerable population for targeting and the other which deals with strengthening local capacity to meet the needs of the people. Concerning assessment of the vulnerable population for health services, a household survey is being implemented in six rayons in Fergana Oblast. The design of the household survey is currently being finalized, it includes focus groups with the vulnerable population groups, followed by development of the instrument, sample frame, pilot testing, and implementation.

The survey will be implemented in the three rayons where the new financing mechanisms are being implemented and three matched control rayons. It is important to emphasize that the goal behind the primary care reforms is to develop a comprehensive system of primary care which will improve health services for the entire population. The survey will show the current use of services by all populations including vulnerable populations.

Concerning strengthening local capacity, 38 community-based NGOs have been established called Inter-Mahalla Committees on Health. The NGOs serve as oversight for the newly established rural health clinics and provide input into the health needs of the community, particularly for vulnerable populations. Training to the NGOs is being provided by SO 2.1 grantee, Counterpart Consortium.

**Progress rating:** Better than expected

**IR 3.2.2 Demonstrate That Quality Health Care Services Can Be Made Available On A Cost Effective Basis.** The indicator is based on the number of independent primary care practices. In 1997, 13 rural primary health care centers were established in the three demonstration rayons and plans have been developed for an additional 25 which will be implemented in 1998. A survey of all primary care facilities was undertaken including detailed utilization data. Preliminary capitation rates have been calculated and will be reviewed and refined in the first quarter of 1998. An initial rationalization plan was developed for Fergana Oblast to pay for the additional recurrent costs of the rural clinics. It includes closure and consolidation of several facilities. A detailed implementation plan for facility rationalization will be developed in the first quarter of 1998. It is expected that all of the 38 independent primary care practices will receive new payment methods by the end of 1998.

**Progress rating:** Better than expected

**IR 3.2.3 National Legal And Regulatory Framework Established For Housing And Health Reforms.** A national policy and legal framework has been established for the health reform demonstration in Fergana Oblast. In December 1997, a Memorandum of Understanding was signed between the Government of the US and the Government of Uzbekistan. Subsequently, a Government Order was signed establishing the demonstration in Fergana Oblast and setting up a national work group. An order by the Oblast Governor established an Oblast Coordination Committee and implementation groups in the three pilot rayons. A legal framework was completed and recommendations submitted, to improve the regulatory framework for reform. Also, the legal status of the rural health clinics and the Inter-Mahalla Committees on Health have been examined and recommendations have been made on legal incorporation under the civil code. Finally, agreement has been reached on developing a legal framework for health insurance based on USAID's health reform experience in the Former Soviet Union.

Finally, USAID is actively collaborating with the World Bank on the development of the health sector loan which has already undergone pre-appraisal. USAID participated in the design of much of the project, particularly the financing and management component. The World Bank loan is based on USAID's ZdravReform Program experience in Kazakhstan and Kyrgyzstan altered to the specific situation in Uzbekistan. In addition, USAID is collaborating with WHO to develop new clinical treatment protocols and the British Know-How Fund on the development and implementation of general practice.

**Progress rating:** Exceeded expectation and is accorded exceptional rating

## **2. Expected Progress Through FY 2000 And Management Actions**

Through 2000 USAID/CAR expects to expand the pilot primary health care model of family group practices to cover 3 oblasts in collaboration with the World Bank.

As experience is gained from the health reform demonstration areas, USAID/CAR will begin to focus program resources on a comprehensive information dissemination strategy to disseminate products and lessons learned to policy makers, professionals at all levels of the health care system, and to other donors. A public information campaign will be a critical part of the information dissemination strategy in order to educate the population on their new rights and responsibilities in the health care system, to promote healthy behavior and lifestyle choices, and to build public consensus in support of reform. Non-governmental agencies will be actively involved in participating in the health reform process.

### 3. Performance Data Tables

<b>STRATEGIC OBJECTIVE:</b> 3.2 Improved sustainability of social benefits and services			
<b>APPROVED:</b> 1996		<b>COUNTRY/ORGANIZATION:</b> Uzbekistan, USAID/CAR	
<b>RESULT NAME:</b> SO 3.2 Reform strategies in selected social sectors developed and implemented.			
<b>INDICATOR:</b> Number of pilot programs introduced.			
<b>UNIT OF MEASURE:</b> Number of interventions.  <b>SOURCE:</b> Data base: Health Reform project  <b>INDICATOR DESCRIPTION:</b> Reform programs = pilot level projects to restructure social sector, especially health.  <b>COMMENTS:</b>	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997	3 rayon	
	1998	3 rayons	3 oblasts
	1999	TBD	

<b>STRATEGIC OBJECTIVE:</b> 3.2 Improved sustainability of social benefits and services			
<b>APPROVED:</b> 1996		<b>COUNTRY/ORGANIZATION:</b> Uzbekistan, USAID/CAR	
<b>RESULT NAME:</b> SO 3.2 Reform strategies in selected social sectors developed and implemented.			
<b>INDICATOR:</b> Critical social benefits and services improved			
<b>UNIT OF MEASURE:</b> Number of new decrees or legislative pieces designed.  <b>SOURCE:</b> Data base - individual project level  <b>INDICATOR DESCRIPTION:</b> Needed reform identified, examined and policies developed in conduction with counterparts. Vulnerable population=pensioners, women and children.  <b>COMMENTS:</b>	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997	start up	
	1998	1	
	1999	2	

<b>STRATEGIC OBJECTIVE:</b> 3.2 Improved sustainability of social benefits and services			
<b>APPROVED:</b>		<b>COUNTRY/ORGANIZATION:</b> Uzbekistan, USAID/CAR	
<b>RESULT NAME:</b> IR 3.2.2 Demonstrate that quality health care and municipal services can be made available on cost effective basis.			
<b>INDICATOR:</b> Number of independent primary care practices increased.			
<b>UNIT OF MEASURE:</b> Number of primary care practices.  <b>SOURCE:</b> Data base: Health Reform project  <b>INDICATOR DESCRIPTION:</b> Increase in # of primary care practices actually staffed and providing services in demonstration oblasts.  <b>COMMENTS:</b>	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997	10	13
	1998	32	
	1999	TBD	
1999			

<b>STRATEGIC OBJECTIVE:</b> 3.2 Improved sustainability of selected social benefits and services			
<b>APPROVED:</b>		<b>COUNTRY/ORGANIZATION:</b> Uzbekistan, USAID/CAR	
<b>RESULT NAME:</b> IR 3.2.1 Critical social benefits and service needs identified for vulnerable population.			
<b>INDICATOR:</b> Policies for vulnerable populations introduced.			
<b>UNIT OF MEASURE:</b> Number of need assessments and evaluations conducted.  <b>SOURCE:</b> Data base - USAID  <b>INDICATOR DESCRIPTION:</b> Needed reform identified, examined and policies developed in conjunction with counterparts. Vulnerable population = pensioners, women and children.  <b>COMMENTS:</b>	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997	1	
	1998	3	
	1999	TBD	

## **F. SO 4.1: SPECIAL INITIATIVES**

USAID/CAR does not have a strategy tree, or a results framework Special Initiatives 4.1. Activities under this initiative are funded from congressional earmarks for reproductive health, infectious disease surveillance and medical partnerships. They contribute to strategy objective 3.2 but are too disparate to be integrated into that framework.

In the area of reproductive health, the objective of USAID/CAR's Reproductive Health Services Expansion Program (RHSEP) was to promote the use of safe, modern contraceptives in order to decrease the dependence on abortions to control fertility. During FY 1997, three USAID Cooperating Agencies (CAs) implemented this program. The Johns Hopkins Program for International Education in Obstetrics and Gynecology (JHPIEGO); Access to Voluntary Safe Contraception (AVSC); and The Futures Group, through its Social Marketing for Change (SOMARC) Project. AVSC conducted training in contraceptive technology update, counseling, intrauterine device (IUD) clinical skills, and infection prevention. JHPIEGO trained trainers and assisted in the development of the family planning guidelines. SOMARC Project worked with customers, private pharmacies, distributors, and international manufacturers to make modern contraceptives, provide information about contraceptives to customers, and health professionals in Uzbekistan. In addition the Demographic Health Survey (DHS) was conducted to provide health related data to decision makers for monitoring and programming purposes.

There is one medical partnership in Uzbekistan. The Second State Medical Institute (TashMI II) in Tashkent, Uzbekistan with the University of Illinois at Chicago (UIC) Medical Center. TashMI II is one of the largest hospitals in the Newly Independent States and is the largest medical facility in Central Asia. The partnership was established in October 1992. It entered its graduation phase in October 1995 and will continue through 1998. The general areas of focus for this partnership have been Neonatology and perinatal medicine, women's health, hospital and clinic administration, nursing and medical education, general surgery and neurosurgery, and various medical specialty areas, such as orthopedics and anesthesiology. A Women's Wellness Center was opened in November 1997 to provide comprehensive health care for women.

Under the infectious disease program, Uzbekistan is introducing more effective, efficient, and cost-effective surveillance measures; and working on reducing morbidity and mortality due to acute respiratory infections, and childhood diarrheal diseases in Fergana Oblast. Models now exist to better manage these diseases preventing unnecessary childhood deaths. It is expected that these models will be integrated within the framework of USAID/CAR's Health Reform Initiative.

Per guidance from USAID/W, one indicator was selected for each earmark activity to best reflect their results. As stated under Strategic Objective 3.2, these earmarks contribute to the achievement of the embassy's MPP goals.

## 1. Performance Analysis

**4.1. Special Initiatives:** 4.1 does not have its own tree or intermediate results. The following four indicators were selected in 1997 to reflect the major results. As ongoing programs are completed, existing indicators will be modified to reflect those new program thrusts.

**Reduction in General Abortion Rate--**Induced abortions have serious detrimental effects on women's health and is one of the major factors contributing to maternal mortality. Therefore, USAID/CAR programs in reproductive health under the Reproductive Health Services Expansion Program (RHSEP) is directed at increasing the options women have in selecting their method of contraception as well as making contraceptives widely available. Initially, assistance was directed both at the public and the commercial sector, however over time, USAID has focused on the commercial sector as other donors have entered the arena. Significant results have been achieved in this area. The Demographic Health Survey data shows that general abortion rates have declined from 29 per 1000 women in 1990 to 20 in 1995. Ministry of Health data also shows similar trends in the decline of abortions during this period. Both MOH and the DHS data indicate that over an interval of five years, the pill and Intrauterine Device (IUD) prevalence rate in Uzbekistan has increased by 32 percent, and over the same period the general abortion rate declined by 31 percent.

MOH data for 1997 data will not be available until March of 1998.

**Progress rating:** Satisfactory

**Increase In Couple Years Of Protection (CYP)--**In the case of the Social Marketing project performance, CYP is calculated utilizing the number of Red Apple ( program name ) contraceptives sold by manufacturers to distributors. The actual CYP is 246,834, which is less than what was achieved in 1996.

A midterm evaluation of the SOMARC Central Asian Program was undertaken in February 1997. The midterm SOMARC Evaluation indicated that the project has demonstrated the viability of the commercial market as a supplier of health services, particularly the commercial distribution and retail sales of commercially supplied contraceptives. However, as the private sector is just emerging in Uzbekistan, it is essential that continued support be provided until there is some assurance that the pharmacies are firmly established and sustainable. An important problem, specific to Uzbekistan's pharmaceutical sector, is the issue of currency conversion. Currency conversion limitations and quotas have been the largest single problem for all pharmaceutical distributors wanting to import and/or already importing contraceptives as part of the USAID-sponsored SOMARC "Red Apple" program.

**Progress rating:** Progress satisfactory

### **Number Of Health Providers Trained In Modern Techniques And Clinical Practices--**

The common area of focus for partnership activities is training. Although this one indicator does not capture the range of partnership activities, much of the work done under the partnerships has involved technology transfer and training. It was therefore selected as the main indicator for reporting purposes. Obtaining this information, from the implementing partner, however has been difficult. In 1997, 146 health providers were trained in different areas. However, some other achievements are highlighted here. The Neonatal Resuscitation Training Center at TashMI II was opened in 1997. The Center trains physicians, nurses and midwives from both TashMI II and other health care institutions in the region through monthly courses in neonatal resuscitation.

Nursing reform efforts have resulted in the establishment of performance and competency standards at TashMI II. Nurses are now required to pass clinical performance reviews in their specialty to ensure quality of patient care.

In the area of Hospital Administration and Financial Reform TashMI II has improved the financial standing of its hospital facilities by retiring nearly two-thirds of its beds, reducing average inpatient stays (from more than 18 days in 1992 to less than 10 days now), opening an outpatient unit, and shifting part of the patient base into outpatient care.

A Women Wellness Center was established in Tashkent on the base of TashMI II, the goal of which is to provide a full range of preventive, comprehensive health care to women of all ages.

**Progress rating:** Satisfactory

**Percent Of Oblasts Using Modern Approaches To Disease Surveillance--**Centers for Disease Control and prevention are implementing this program. One hundred percent use of computer-based applications for polio and diphtheria was achieved in 1996. In 1997 additional diseases such as tuberculosis, typhoid and hepatitis have been added to the work.

**Progress rating:** This indicator for polio and diphtheria was achieved in 1996.

Results have also been achieved in the management of childhood diseases, especially for acute respiratory infections (ARI) and diarrheal disease control (DDC), two major causes of childhood and infant deaths. At the end of the project, September 1997, new treatment protocols and training modules exist for replication that will contribute towards improved management of childhood diseases, especially ARI and DDC.

## **2. Expected Progress Through FY 2000 And The Management Actions**

**Reproductive Health--**While continuing the support to the Social Marketing project through September 1998, USAID/CAR will conduct an assessment of the reproductive health area and

will develop a 1998 -2000 Reproductive Health Strategy for Uzbekistan. The strategy will determine the direction of this program in the future.

**Medical Partnership**--USAID/CAR hopes to direct future medical partnerships to support the overall health reform agenda and towards strengthening of primary health care in Uzbekistan. Nursing reform through practical skills development is another area which needs to continue as a focus. Partnerships between health professionals and health institutions is needed. Starting September 1998, a new partnership program will be in place. This program is currently being designed in USAID/W with input from USAID/CAR.

**Infectious Disease Program**--Efforts under the infectious disease program will continue to strengthen disease surveillance with emphasize on hepatitis, typhoid and other vaccine preventable diseases. In addition, limited roll out of the TB program will be initiated depending upon 1998 level of funding.

### 3. Performance Data Tables

<b>OBJECTIVE:</b> 4.1 Earmark-Reproductive Health			
<b>APPROVED:</b> 1997		<b>COUNTRY/ORGANIZATION:</b> Uzbekistan, USAID/CAR	
<b>RESULT NAME:</b> N/A-Congressionally mandated earmark			
<b>INDICATOR:</b> General Abortion Rate			
<b>UNIT OF MEASURE:</b> General Abortion Rate (GAR)  <b>SOURCE:</b> Ministry of Health (MOH) Uzbekistan Demographic Health and Survey (DHS)  <b>INDICATOR DESCRIPTION:</b> Induced abortions per 1000 women age 15-49.  <b>COMMENTS:</b> * DHS data - women age group 15-45; ** MOH data - women age group 15-49  The Ministry of Health's data will be available in March 1998 for the 1997 calendar year.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996-1990	-	29* 42**
	1995	-	20 24*
	1996	-	20* 24**
	1997	10.4	
	1998	-	

<b>OBJECTIVE:</b> 4.1 Earmark-Reproductive Health			
<b>APPROVED:</b> 1997		<b>COUNTRY/ORGANIZATION:</b> Uzbekistan, USAID/CAR	
<b>RESULT NAME:</b> N/A-Congressionally mandated earmark			
<b>INDICATOR:</b> Increase in Couple Years of Protection (CYP)			
<b>UNIT OF MEASURE:</b> Couple Years of Protection (CYP)  <b>SOURCE:</b> International Manufacturers of Red Apple (Contraceptive Social Marketing Program logo) contraceptives.  <b>INDICATOR DESCRIPTION:</b> Couple Years of Protection is the theoretical number of couples receiving contraceptive protection for a year. It is calculated using contraceptive specific denominators: 15 cycles of oral contraceptives equals one CYP; 100 condoms equals one CYP; 4 doses of Depo-Provera and six doses of Noresterat equals one CYP.  <b>COMMENTS:</b> 1.) For this activity the CYP is calculated utilizing the number of contraceptives sold by manufacturers to distributors. 2.) The large increase in CYP in 1996 reflects a large bulk purchase of contraceptives through government EC credit line.	<b>YEAR</b>	<b>PLAN NED</b>	<b>ACTUAL</b>
	1994	-	not known
	1995	11,500	4,400
	1996	20,700	235,960
	1997	not established-	246,834

<b>OBJECTIVE: 4.1 Earmark - Medical Partnerships</b>			
<b>APPROVED: 1997</b>		<b>COUNTRY/ORGANIZATION: Uzbekistan; USAID/CAR</b>	
<b>RESULT NAME:</b> N/A - Congressionally mandated earmark. (Modern Management Techniques and Clinical Practices Introduced)			
<b>INDICATOR:</b> Number of health providers trained in modern management techniques and clinical practices.			
<b>UNIT OF MEASURE:</b> Number of health providers.  <b>SOURCE:</b> American International Health Alliance (AIHA).  <b>INDICATOR DESCRIPTION:</b> Increase in number of health providers trained in modern management techniques and clinical practices.  <b>COMMENTS:</b> 1. The current indicator replaces the previous one "Increase in Number of Facilities Using Modern Management Techniques and Clinical Practices." The previous indicator was based on a 1994 baseline of 25 facilities with targets of 57 in 1995 and 114 facilities in 1996 using modern management techniques and clinical practices. AIHA is unable to provide data needed by the indicator. AIHA reports on numbers of persons trained. 2. Planned 1997 target is cumulative (includes 1996 actual plus 1997 specific). The 1997 actual is as of 1/09/98.	<b>YEAR</b>	<b>PLAN NED</b>	<b>ACTUAL</b>
	1996		81
	1997	107	146
	1998	120	

<b>OBJECTIVE: 4.1 Earmark - Infectious Disease</b>			
<b>APPROVED: 1997</b>		<b>COUNTRY/ORGANIZATION: Uzbekistan; USAID/CAR</b>	
<b>RESULT NAME:</b> N/A - Congressionally mandated earmark			
<b>INDICATOR:</b> Percent of oblasts using modern approaches to disease surveillance			
<b>UNIT OF MEASURE:</b> Percent  <b>SOURCE:</b> Centers for Disease Control and Prevention (CDC) in Central Asia  <b>INDICATOR DESCRIPTION:</b> Increase in the number of oblasts using computer-based applications for case specific diseases  <b>COMMENTS:</b> This indicator refers to the modern methods applied to polio and diphtheria and was achieved in 1996. New diseases such as hepatitis and other vaccine preventable diseases have been added.	<b>YEAR</b>	<b>PLANNED</b>	<b>Actual</b>
	1995	0%	0%
	1996	25%	100%
	1998	TBD	

### III. STATUS OF THE MANAGEMENT CONTRACT

The Management Contract agreed to by the Mission and Washington during last spring's R4 reviews has not been significantly altered for Uzbekistan. However, it is important to note the following for this year's R4 discussions:

**A. Strategic Objective Changes or Refinements.** The Mission's two regional strategic objectives, both of which include activities in Uzbekistan, were approved during last year's R4 review. Following this approval and subsequent to Washington's creation of the new environmental strategic objective 1.6, USAID/CAR eliminated the Mission's SO 3.3 (Reduction in regional economic and political tensions generated by transboundary environmental issues) and adopted SO 1.6 (Reduction in regional economic and political tensions generated by transboundary environmental issues). Technical assistance activities were affected by this change, as described in the Regional R4 for Central Asia. Also, the wording of the Mission's SO 1.5 was changed from "A more economically sound and environmentally sustainable energy system as the primary engine of growth in Central Asia" to "An effective policy framework in place to achieve private investment in an environmentally sound, regionally efficient, market-oriented energy sector" to more fully reflect USAID/CAR activities in the energy sector. Technical assistance activities were not affected by this change.

The wording for the Mission's SO 3.2 was changed from "Reform strategies in selected social sectors developed and implemented" to "Improved sustainability of selected social benefits and services" during the Mission's internal program review in December 1997. Technical assistance efforts are not affected by this change.

**B. Partnerships.** As indicated in last year's R4, the Mission sponsors six active partnership-type activities in Uzbekistan in health, agriculture, environment, and NGOs. With the notable exception of the earmark-imposed health partnerships, these partnerships form an integral part of the Mission program. To further support the State Department's Partnership for Freedom initiative, the Mission is planning and will implement new partnerships and pre-partnerships in FY 98. These partnerships will support Mission reform efforts in the economic, democratic, and social spheres by linking key counterparts and institutions in Uzbekistan with appropriate partners in the US. The Mission anticipates that these partnerships will be initiated in the next four months.

**C. Government Commitment to Reform.** The present foreign exchange regime demonstrates either a great misunderstanding on the part of the Uzbek government of the fundamentals of economic growth or a great unwillingness on the part of the government to divest itself of tight control over its expanding economy. In either case, the continued restraints on foreign exchange, which has produced a very attractive black market rate for US currency, leads the Mission to question the sincerity of the Uzbek commitment to economic reform based on free-market investment principles.