

**UNITED STATES
AGENCY FOR INTERNATIONAL DEVELOPMENT**



CONGRESSIONAL PRESENTATION

FISCAL YEAR 1995

NEW INDEPENDENT STATES

OF THE FORMER SOVIET UNION

ADDENDUM

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LIST OF ABBREVIATIONS

<u>Name</u>	<u>Acronym</u>
Business Assistance and Support for Central Asia	BASICS
Business Information Service for the NIS	BISNIS
Central Asian-American Enterprise Fund	CAAEF
Cooperative for American Relief Everywhere	CARE
Department of Energy/Nuclear Regulatory Commission	DOE/NRC
Federal Bureau of Investigation	FBI
Free Trade Union Institute of the AFL/CIO	FTUI
Generalized Agreement on Tariffs and Trade	GATT
Group of Seven	G-7
European Bank for Economic Cooperation and Development	EBRD
European Community	EC
European Office of the World Health Organization	EURO
European Union	EU
Federal Aviation Agency	FAA
Federal Bureau of Investigation	FBI
Food and Drug Administration	FDA
Free Trade Union Institute of the AFL/CIO	FTUI
Government of Ukraine	GOU
Human Immunodeficiency Virus	HIV
International Bank for Reconstruction and Development	IBRD
International Committee of the Red Cross	ICRC
International Executive Service Corp	IESC
International Federation of the Red Cross	IFRC
International Financial Institution	IFI
International Foundation for Electoral Systems	IFES
International Monetary Fund	IMF
International Republican Institute	IRI
Memorandum of Understanding	MOU
National Democratic Institute for International Affairs	NDI
National Endowment for Democracy	NED
Non-governmental Organization	NGO
New Independent States of the Former Soviet Union	NIS
Organization for Economic Cooperation and Development	OECD
Overseas Private Investment Corporation	OPIC
Special American Business Internship Training Program for the Former Soviet Union	SABIT
Securities and Exchange Commission	SEC
Technical Assistance for the Commonwealth of Independent States	TACIS
Trade and Development Agency	TDA
United Nations	UN
United Nations Department of Humanitarian Affairs	UNDHA
United Nations Development Program	UNDP
United Nations High Commissioner for Refugees	UNHCR
United Nations Population Fund	UNFPA
United Nations International Children's Emergency Fund	UNICEF
United States Department of Agriculture	USDA
United States Information Agency	USIA
Western New Independent States Enterprise Fund	WNISEF
World Food Program	WFP
World Health Organization	WHO

**OVERVIEW OF THE UNITED STATES
ASSISTANCE AND ECONOMIC COOPERATION STRATEGY
FOR THE NEW INDEPENDENT STATES
OF THE FORMER SOVIET UNION**

INTRODUCTION

Profound changes continue to sweep the New Independent States of the former Soviet Union. For sheer scale, they are unparalleled in recent history. They touch all but a few of 300 million human beings. After more than 70 years of revolution and rigidity, Soviet institutions, Soviet practices, and Soviet mentalities are deeply anchored in every nation and society of this vast region. Yet they have boldly embarked on change. Most people see the benefits of change; most also feel the pain of disruption. There has been much progress; there are and will continue to be daunting difficulties.

The outcome of the changes underway and the struggles to come is important to the United States. The Cold War is over, but the failure of reform across eleven Eurasian time zones could saddle the United States with new, unwelcomed challenges and new, crippling costs. Only if reform succeeds can we reap benefits worthy of our Cold War sacrifices:

- ◆ consolidation of our improved security;
- ◆ a lasting partnership with Russia and other New Independent States in global problem-solving;
- ◆ new investment that stimulates economic growth and employment creation at home and in the New Independent States; and
- ◆ beneficial and mutual access to each other's markets, resources, and expertise for the United States and the twelve new nations.

Only area reformers themselves can determine the outcome, but to benefit from their success, we can and must help them now. The challenge to us is to invest our interest, our energy, and enough resources to make a difference to reform and reformers during this critical period of transition, for the outcome is likely to be determined over the next few years.

GOAL

Our overall goal is clear: we wish to achieve enduring, normal, and productive bilateral relations with each New Independent State and to encourage such relations among them and between them and their partners in the world community. We believe that this kind of partnership will ultimately require stability, prosperity and international relationships based on mutual recognition of reasonable security interests, normal economic relations, and free movement of people, goods and ideas. Finally, we believe that the path to stability and prosperity leads through democratic development, including full respect for the basic human rights of citizens, and market reform.

We are therefore committed to assist and encourage reform and reformers who demonstrate in practice their willingness to pursue the struggle for reform. Our assistance and encouragement are part of a larger international, multilateral effort. The United States cannot and ought not seek to address all areas of need, or to do everything itself. Similarly, this assistance and economic cooperation strategy is part of a broader U.S. foreign policy effort. It includes diplomacy; reducing levels of strategic and conventional weapons; pursuing non-proliferation; and supporting private-sector initiative. But United States assistance to the New Independent States is vital both to the multilateral effort, which it helps

mobilize, and to our overall policy success. Targeted at certain key sectors in a time of historic change and challenge, it can make an historic difference.

OBJECTIVES

History shows that broad-based prosperity is best achieved through a market economy, that stability is best achieved through democracy, and that over the long run each is essential to the success of the other. These are internally self-correcting systems, which adjust to changing circumstances and needs. That said, however, it is equally true that each country has to develop the details to reflect local history and conditions. There is no perfect model.

For the United States, the New Independent States pose unique challenges to our global assistance policy of promoting sustainable development. The New Independent States are not underdeveloped countries but, rather, have been misdeveloped and are out of sync with international market forces. The challenge is not to develop human and physical basic infrastructure, but to assist the New Independent States in redirecting their resources to support open and participatory political and economic systems. The need is not for a protracted program of economic support, but for strategically targeted support during this critical period of economic and political transition, followed by quick phase out. In this context, the policy of sustainable development - to secure transition to sound and enduring market economic and democratic political systems - is relevant to our economic cooperation program with the New Independent States.

Any realistic economic assistance strategy must be equally concerned with supporting political reform and with gaining acceptance of the economic and social costs that accompany necessary changes. People need confidence that the new economic and political systems will be enough of an improvement to be worth the price of transition, and that the transition itself is being well managed. Therefore, the United States has three objectives for assistance programs in each of the New Independent States:

- ◆ Foster the emergence of a competitive, market-oriented economy in which the majority of economic resources are privately owned and managed (or more briefly, market reform).
- ◆ Support the transition to transparent and accountable governance and the empowerment of citizens through democratic political processes that ensure broad-based participation and respect for human rights and fundamental political, economic and social freedoms (democratic reform).
- ◆ Strengthen the capacity to manage the human dimension of the transition to democracy and a market economy, and help sustain the neediest sectors of the population during the transition period (public and social service reform).

Attention to environmentally sound growth is an important cross-cutting theme affecting all objectives. The entire region has long neglected this issue and we need to support the policy, legal, regulatory and institutional reforms necessary to address environmental concerns. Non-governmental organizations need strengthening to keep governments focused on the environment, in order to reduce threats to human health and to promote sustainable natural resource management. In the long run, a market economy will remain viable and publicly supported only if it operates on a sustained basis in a way that protects its environment, utilizes resources wisely and treats people with decency and respect.

OVERALL APPROACH AND REGIONAL PRIORITIES

The twelve New Independent States are best characterized by their diversity. They span half the globe - eleven time zones -- and represent scores of distinct ethnic groups. Religions, cultures, economic traditions, and languages reflect histories that are as much competitive as cooperative, or even hostile. These factors were masked by the monolithic domination of the Soviet Union but now are clearly visible.

A legacy of communism is that all twelve countries do have a recent shared history; the single system of political and economic centralization shaped many of the structures and attitudes that now require change. In worldwide terms, they are developed countries which lack the fundamental institutions essential for market economics and democratic politics. Each has a generally healthy, educated, and productive populace, a considerable scientific establishment, a significant industrial base, and a potentially strong agricultural base. The legacy of pervasive control of all aspects of people's lives remains in the hold-over bureaucracies as well as in the attitudes of people conditioned to accept bureaucratic control. Even so, previous levels of capital investment in people, durable goods for productive sectors, and physical infrastructure have created the basis for significant real growth, provided that organizational, legal, and regulatory infrastructure becomes available to foster its efficient use.

Based on experience to date, adoption of economic and political reforms is likely to be highly uneven and may include situations where some elements move ahead rapidly while other elements see no progress. Significant support to governments should be directed at states that embrace fundamental economic and political reforms. Resources will be concentrated in areas that are essential, i.e., without which the objectives cannot be achieved. Those include democracy-building; privatization of the economy, including productive enterprises, land and housing; establishment of basic laws and regulations permitting the private sector to operate without need for subjective governmental action; establishment of clear market signals (primarily through world market pricing) which permit rational decisions, and therefore reward reduction in waste of energy and other resources; private sector trade and investment; and de-monopolization of the economy. Where commitment to reform is limited, assistance will be primarily for programs operating outside governmental channels.

Throughout the region, non-governmental organizations will receive funds for initiatives to support the efforts of reformers to establish independent media, democratic politics, an independent judiciary, and transparent government. There will be constant support for programs that increase the capacity of reformers in these states to understand, design, approve, and implement needed economic reforms. These will include exchange and participant training programs, people-to-people types of assistance and, in limited situations, long term advisors, in order to overcome the effects of near total isolation and to increase the exposure of present and future opinion leaders to Western democratic and free market traditions.

Consistent with this common approach, regional differences require recognition:

RUSSIA

The political, economic and strategic importance of Russia requires that it be treated separately. The outcome of its transition is singularly important to that of its neighbors. Russia itself is a diverse, complex country. Aside from the details of its many autonomous regions and many distinct ethnic populations, Russia has a Pacific Rim dimension as well as a European one. Like the United States, it is a continental power with different attitudes and perspectives on its East Coast and its West. The United States assistance and economic cooperation strategy thus needs to reflect Russia's accomplishments and diversity.

The reform process in Russia is moving ahead across an impressive range of economic and political issues, though of course there are and will continue to be inconsistencies and uneven change, as well

as political uncertainties resulting from the magnitude of its concurrent political and economic transitions. It is important to the success of the program that our support be given at the national, regional and local levels, focusing activities in regions that demonstrate commitment to reform.

WESTERN NIS (Ukraine, Belarus and Moldova)

Ukraine and Belarus share a common culture, linguistic family, and geography. The Slavic languages of Ukraine and Belarus are closely related to each other and to the Russian language. Obviously, these countries are poor in relation to their neighbors in Western Europe, though not in all parts of Eastern Europe, as can be seen by the level of infrastructure and capital goods investment.

The success to date of these countries in establishing their independence, and the many basic institutions of statehood, is often overshadowed by their economic struggles and political uncertainties. In particular, after 70 years of unified Soviet central planning, each faces profound difficulties in creating separate, independent economies. Thus the pace of transition varies greatly. The profound and lasting effect of the Chernobyl nuclear disaster upon Ukraine and Belarus is hard to overstate; it was a defining event, which is indelibly seared into public consciousness and affects all other issues. Our assistance will be variable until reforms solidify as in Moldova.

Moldova has the shortest history of any of the New Independent States, having been annexed from Romania by Stalin in 1940. Indigenous Moldovans are ethnic Rumanians, and speak the Rumanian language, but there are large Russian and Ukrainian populations and a basis for healthy multicultural pluralism. The country's strides in economic reform, along with the Transdnister conflict, demonstrate the complex mix of opportunities and problems present in the region.

CENTRAL ASIAN REPUBLICS (Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan)

Central Asia is truly a crossroads between Europe and Asia. The five independent countries of Central Asia share common historical, cultural, religious, and political traditions, though of course there are intra-regional differences as well. Their history owes as much to neighbors to the south (Iran) and east (Mongolia and especially China) as to the north. Each country has substantial numbers of Russian nationals living within its borders and a history of disproportionate economic and political power. Geographic isolation from countries with a tradition of democratic governments and strong market economies compounds the process of developing these institutions and presents major economic difficulties.

The five countries have a combined population of fifty-five million people. Especially when compared to the Third World, these too are misdeveloped rather than underdeveloped economies. Several possess substantial natural resource wealth, development of which could bring large inward capital investment and subsequent cash flow. All must make major, long-term efforts to build institutions necessary for sustained, broad-based economic growth based on bringing the mass of their people into the economically productive mainstream, rather than using natural resource wealth to maintain outdated pricing policies.

Proximity to the turbulence in Afghanistan and Iran compounds the difficulty of developing new political institutions: fear of extremists and distrust of leaders drawn from groups other than the individual's own tribe, clan or region tend to produce real or stated reluctance to trust participatory forms of government. Proximity to China also carries the potential to view its recent economic progress as the basis to delay systemic reforms, particularly in the political sphere. While no one can object to looking for appropriate lessons from different places, dynamic economic growth in Central Asia is virtually impossible without significant change from the Soviet era political system.

United States private investment in natural resource development can proceed even in the absence of

fundamental reform and could contribute to opening these economies to fresh ideas; as noted, of course, it can also give political leaders the means with which to continue flawed economic systems. Particularly in this region, assistance levels in many countries are likely to be drastically less than the levels of private investment.

CAUCASUS (Armenia, Azerbaijan and Georgia)

Peace has eluded the ethnic and political turmoil engulfing this region, although some progress toward a peace agreement between Armenia and Azerbaijan has been made as of August, 1994. These countries inevitably serve as an economic link between Russia and the Middle East, and perhaps between Central Asia and Europe. Their trading tradition could work well for them and their neighbors, now that they are able to operate outside the boundaries of the former Soviet Union.

It is doubtful, however, that meaningful economic and political progress will be possible until some success has been achieved in establishing basic political stability and acceptance of sovereignty among the New Independent States. In terms of United States bilateral assistance, certainly, humanitarian needs are likely to absorb the predominant share of available resources. Most remaining funds will probably have to move through non-governmental channels.

If political stability can be achieved, all three countries will have major reconstruction needs. In Georgia and Armenia, these needs can be met only from multilateral resources; Azerbaijan is more capable of financing its own reconstruction. While the United States may begin developmental assistance as soon as political stability has emerged, only when reconstruction is solidly under way will we be able to make decisions as to a broad development assistance program. The increased capacity for economic and political development resulting from exchanges, people-to-people programs, and technical advisors in key sectors, will be immensely important. It will form the basis for the United States deciding what further developmental assistance is warranted.

COUNTRY-SPECIFIC STRATEGIES AND THE FY 1995 FUNDING REQUEST

The overall strategy noted above, with the specified regional differences, provides the framework for individual country strategies. Each country strategy is developed with input from the Country Team, technical advice from appropriate experts, and overall guidance from the United States Assistance Coordinator. The purpose of each individual country strategy is to set those priorities that offer the best likelihood of achieving the objectives set by the overall regional strategy. It is important to realize that the nature of the United States assistance program will vary in each country and will reflect individual country priorities and the pace of economic and/or political reform. These priorities will form the basis for monitoring progress in terms of results achieved.

We have a brief period in which to see the end of the Cold War through to a time of normal relations with peace and prosperity, and with immense benefit to all. We cannot procrastinate, because it is now that the nature of the successor states to the former Soviet Union is being formed and largely set for many years to come. We must help as best we can, as we will have to live with the results. Although democratic, free market reform within the New Independent States is in our best interest, this is not our challenge alone, for Eastern and Western Europe, the Pacific Rim and the Middle East have at least as much at stake as we do. We cannot determine or compel the outcome, all we can do is ally ourselves with the cause of reform and with the reformers within, and encourage our partners in the international community to do the same. We must provide tangible assistance to help with key issues. Most of all, by doing so we provide support and encouragement for these countries--for leaders and citizens alike--which must ultimately be responsible for the decisions which will determine their future.

Out of the Administration's FY 1995 request of \$900 million, the Congress has appropriated a total of \$850 million under the FREEDOM Support Act for activities in the New Independent States of the former

Soviet Union. These funds will be initially allocated in the following manner against the three Strategic Objectives: \$462.175 million for economic restructuring support, \$141.325 million toward democratic governance activities and \$134.5 million for public and social service interventions. The remaining \$112 million is planned to be transferred to other organizations for trade and investment, law enforcement, business development, environment, nuclear safety and training activities. The stimulation of private sector trade and investment is receiving an increased emphasis in FY 1995 to demonstrate the benefits of economic reform and to support successful market-oriented enterprises that are creating pressure for further changes in the system. OPIC, TDA and Commerce will all receive an increased level of transfers from USAID to carry out their programs in the New Independent States.

The FY 1995 budget presented in this document is broken down by country and by program sector. Actual funding levels may change throughout the year based on the principle of aid following reform, rather than entitlements. However, if the pace of reform is fairly constant, implementing agencies can proceed at full speed to utilize funds at the initial set level. In addition, the budget presentation includes a performance fund with which to respond to positive progress and to be allocated as events warrant. This fund is used to reinforce country strategies and allocate monies to ongoing activities, ensuring that resources are focused on key issues. Should individual program activities exceed the levels notified in this document, Congressional Notifications will be submitted on those activities prior to obligating funds above the levels specified herein.

ARMENIA

NATIONAL INCOME AND EXPENDITURES

Per Capita GNP in U.S. \$ (1992) 780

Government Budgetary Expenditures as % of GDP by Economic Type (1992)

Total Expend. 56.1% Current Expend. 48.8% Capital Expend. 7.3%

General Government Budget Balance in % of GDP (1992) -34.8%

INTERNATIONAL RESERVES AND EXTERNAL DEBT

Official International Reserves (\$ Millions, US) NA

External Public Debt as % of GDP (1992) 0.37%

Service Payments on External Debt (1993):

As % of Total Export Earnings 9.8%

POPULATION

Total Population (Thousands, 1991) 3,649

Population Growth Rate:

(1985-90) 0.8% (1990-91) 2.1%

Population (1990) By Age Group

(0-14 yrs) 30.2% (15-64 yrs) 63.0% (65+ yrs) 6.8%

Total Fertility Rate (1985) 2.5 (1990) 2.5

HOUSEHOLD INCOME AND EMPLOYMENT

Income Share by Source as % of Total Household Income (1992)

Labor 68.1% Transfers 31.9%

Labor Force Participation Rate (1989)

Total 46.1% Male 51.2% Female 41.1%

Proportion of Labor Force by Sector of Employment (1992)

Agriculture 26.1% Industry 32.9% Services 41.0%

EXTERNAL TRADE

Current Account Balance (\$ Millions, US) NA

Total Imports (\$ Millions, US) NA

Of Which % From U.S. () NA

Major Imports (1991): MACHINERY, ENERGY, CONSUMER GOODS

Total Exports (\$ Millions, US) NA

Of Which % to U.S. () NA

Major Exports (1991): MACHINERY & TRANSPORT EQUIPMENT, LIGHT INDUSTRIAL PRODUCTS, PROCESSED FOOD ITEMS

Trading Partners: NA

AGRICULTURE

Agricultural Production as % of GDP (1991) NA

Shares of Gross Agricultural Production by Form of Ownership (1992)

Collective 4.4% State 17.8% Private Plot 6.7% Private Farm 70.6%

HEALTH

Life Expectancy at Birth, in Years (1991) 72.6

Infant Deaths in First Yr of Life per 1000 Live Births (1990) 19.7

Percent of Children 12-23 Months Old Fully Immunized Against:

Tuberculosis(BCG) 88.0% (1992) Measles 93.0% (1992)

Diphtheria(DPT3) 85.0% (1992) Polio(3) 92.0% (1992)

EDUCATION AND LITERACY

Total School Enrollment as Ratio of Population in Age Group (1990-91):

General Education Total 66% Female NA

Literacy Rate (1970) Male 100% Female 100%

ARMENIA

PROGRAM OBLIGATION SUMMARY (In thousands of dollars)			
CATEGORY	FY 1993 (ACTUAL)	FY 1994 (ESTIMATED)	FY 1995* (PLANNED)
All accounts	\$38,405	\$82,820	\$39,500
TOTALS			

PERSONNEL DATA - MISSION DIRECT HIRE			
CATEGORY	FY 1993 (ACTUAL)	FY 1994 (ESTIMATED)	FY 1995 (PLANNED)
U.S. National	1	4	6
Foreign National			
TOTALS	1	4	6

Participant Training Data: ARMENIA			
Participant Category	FY 1993 Actual	FY 1994 Estimated	FY 1995 Planned
US NET Project	10	79	30
USIA Exchanges	74	168	80
Other US Training	18	23	14
TOTAL	102	169	124

- In addition, USDA will provide an estimated \$45 million to Armenia in FY 1995 for a total economic assistance package of \$84.5 million.

ARMENIA

Introduction

Armenia is the smallest and one of the most homogenous of the New Independent States of the former Soviet Union, with strong ties to the West. It has favorable long-run prospects for success in the transition from a Soviet state to a democratic nation with a market economy, owing in part to the consensus of its people and its leaders about the direction in which it is moving. The United States seeks to develop a strong relationship with Armenia, supports the country's emergence as a democratic and prosperous state, and sees it as an important partner in regional affairs.

USAID Development Strategy and Accomplishments to Date

The Armenia Government's economic reform program seeks to create an enabling environment for private sector growth and development, with prices reflecting real resource costs, and to decentralize many economic decisions to local levels and to the private sector. Reform is proceeding at a slow, but irreversible, pace in order not to exacerbate the social and economic stress already extant in the country as a result of the blockade.

U.S. technical assistance efforts are aimed at strengthening the knowledge of and tools available to key policy-makers. These efforts are designed to complement the work of the World Bank and the International Monetary Fund. Until the economic siege is lifted, reforms will focus on putting in place the underlying legal and institutional framework for the efficient working of a market based economy. Progress to date shows: virtually all agricultural land and some urban housing has been privatized; 300 small state enterprises have been divested and 4,000 more are in the process; all producer prices and most consumer prices have been liberalized; and, fiscal discipline is being reestablished.

The largest single component in our aid package has been emergency and humanitarian initiatives including food, medicines, heating fuel, agricultural inputs, as well as some forms of capacity building. A break-down of that assistance follows.

- Food and other basic assistance for the most vulnerable groups and NGO training under the Save the Children umbrella grant.
- Heating fuel and kerosene heaters and containers for winter 1993-1994, provided for the most needy.
- Food for pregnant/lactating women and small children (3,800 MT).
- Fall 1993 and spring 1994 seed wheat provided to farmers.
- Contribution towards international organization appeals for various humanitarian purposes, e.g., International Committee of the Red Cross (ICRC), United Nations Department of Humanitarian Affairs (UNDHA), United Nations High Commissioner for Refugees (UNHCR), International Federation of the Red Cross (IFRC), United Nations International Children's Education Fund (UNICEF) and World Food Program (WFP).
- Funding for a prosthetics center in Yerevan for war/conflict victims and an epidemiological/nutritional surveillance system managed by the Centers for Disease Control.

Armenia's democratic transformation is being assisted through the economic restructuring and humanitarian efforts. Our assistance to and training of indigenous PVOs and NGOs will focus on strengthening participatory democratic processes and accountable governance; thereby, laying the groundwork for sustaining a civil society committed to democratic reform.

The U.S. is helping build Armenia's own capacity to deliver and more effectively utilize humanitarian aid with the assistance of local and international voluntary agencies. The Government's capacity for planning, targeting, managing, delivering and coordinating relief aid, and employing that aid for developmental purposes where possible, will be increased through technical assistance and training.

Other Donors

The International Monetary Fund (IMF) is prepared to provide balance of payments assistance to the Government, through the Structural Adjustment Facility, once Armenia has met the macroeconomic policy and performance standards required. Joint work is proceeding along these lines. The World Bank has prepared a number of loans to assist in earthquake reconstruction, irrigation, energy and institution building. However most of the loans are pending progress toward settlement of the Karabakh conflict. The European Bank for Reconstruction and Development has provided a loan to complete a power plant, and the European Community has offered food aid credits and technical assistance grants. The United Nations Development Program (UNDP), United Nations International Children's Education Fund (UNICEF), UNHCR and WFP are all active in their areas of specialization. Bilaterally, Japan, France and Germany are providing small amounts of assistance, primarily in the energy sector.

FY 1995 Program

The focus of the planned \$39.5 million FY 1995 program in Armenia will continue to emphasize ameliorating the humanitarian impact of the blockade, while also targeting opportunities for income generation. \$23 million of the planned program will be allocated to emergency humanitarian relief. The bulk of these funds will be used for vulnerable groups feeding and humanitarian programs of U.S. and international private voluntary organizations. Although funding is already in place for heating fuel this winter, an additional \$7.4 million is being apportioned to energy activities under the market reform strategic objective to help alleviate the devastating energy shortage and, hopefully, provide an alternative to restarting the nuclear reactor. The remaining assistance will be used to continue to build a solid basis for a more traditional development program supporting economic reform, democratic institutional development and private sector growth.

USAID Regional Representative: Suzanne Olds

PROJECT TITLE Special Initiatives		PROJECT NUMBER 110-001 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)			
FY 1995 23,000		LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998	

Purpose: To respond to humanitarian needs, with emphasis on preventing loss of life in winter, by providing food, medicine and heating fuel and enhancing food security by providing new varieties of wheat seed and introducing new wheat farming methods.

Project Description: During FY 1992-1994, the project responded to emergency humanitarian needs by providing the first early warning nutrition and disease tracking capability in cooperation with the U.S. Centers for Disease Control (CDC); food for mothers and infants to counter the effects of the blockade; heating fuel to over 200,000 families during the 1993-1994 winter; kerosene heaters to 100,000 of the most vulnerable families; 5,000 MT of wheat seed stock and technical assistance in planting techniques; and, food supplements to some 40,000 displaced persons from the Nagorno-Karabakh region.

During FY 1995, the project will continue to work with PVOs in providing emergency food and medical programs aimed at vulnerable groups, i.e., pregnant/lactating women, children, refugees, the elderly and displaced persons; bridge relief efforts and longer term development activities, such as job creation and micro-enterprise development; support the World Food Program feeding of vulnerable groups activities; manage and monitor 100,000 tons of wheat under the Food for Peace program; purchase pharmaceuticals and medical supplies; train health personnel; purchase 16,000 metric tons of kerosene and leverage a contribution from the Armenian diaspora of an additional 5,000 metric tons; continue to support CDC's surveillance and breastfeeding activities; and, continue to support multilateral humanitarian assistance.

Sustainability: Large-scale programs such as the winter heating program emphasize local procurement and help firms develop their organizations and technology. The seed program represents an effort to help regenerate wheat cultivation and increase the longer term supply of domestic food grains.

Relationship to USAID Strategy: The U.S. government's highest assistance priority for Armenia continues to be our ability to provide the vulnerable population with enough winter heating fuel and food to prevent loss of life. U.S. assistance also strengthens Armenia's capacity to manage crisis and increase self-reliance in facing humanitarian and employment needs.

Host Country and Other Donors: United States humanitarian relief assistance to Armenia is coordinated very closely with United Nations organizations, in particular UNHCR and WFP. USAID contributes to the U.N.-coordinated appeals for Armenia. The U.S. has been in the forefront to engage international organizations in Armenia and to solicit other donor responses.

Beneficiaries: Beneficiaries include vulnerable groups (mother and children) within Yerevan and in those areas still affected by the devastation of the Armenian earthquake; some 10,000 farmers receiving seed and help in planting new wheat varieties; over 200,000 families and 200 schools receiving winter heating fuel; and, the unemployed.

Major Outputs: Strengthened local NGO community; improved capability for local government to respond to crisis situations; new wheat farming methods; micro-enterprise employment programs in place; improved nutritional status of refugees, displaced and other vulnerable groups.

USAID-Financed Inputs: (Humanitarian Assistance)

Life of Project (Est. by Percentage)

Technical Assistance	3%
Training	1%
Commodities	66%
Grants	30%

PROJECT TITLE Energy Efficiency and Market Reform		PROJECT NUMBER 110-002 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)			
FY 1995 7,400		LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998	

Purpose: To help Armenia cope with its difficult fuel import supply situation as well as to support the development of the legal/regulatory framework and energy sector restructuring and privatization necessary to encourage domestic energy resource investment.

Project Description: In prior years, the project provided support for loan preparation by EBRD and World Bank; energy efficiency audits, installation of automatic boiler controls and weatherization of apartments, hospitals, and schools; geological services to evaluate oil, gas, and coal potential; the procurement of critical energy equipment; and the establishment of a utility partnership between the Anaheim, California Municipal Power System and the Armenian electric power utility.

During FY 1995, the project will focus on providing assistance for the preparation of legislation/regulations governing future privatization in the sector; establishing an independent energy regulatory body; providing the framework for restructuring the electric power system; developing an economically viable indigenous energy resource base; and, promoting energy efficiency measures that will help Armenia deal with its difficult fuel import problem.

Sustainability: Legal, regulatory and price reform and privatization are intended to enable Armenian energy institutions to operate in a market economy. Resource development and least cost planning will provide the basis for environmentally sound economic utilization. The partnership and training programs aim to broaden sectoral leader's knowledge of policy and technology options, as well as to impart skills in operating a modern electric utility in a regulated market environment.

Relationship to USAID Strategy: Energy has been identified as a critical sector for USAID assistance, second only in importance to humanitarian relief assistance. USAID seeks to help establish a new regulatory environment, and to provide adequate energy for sustainable economic growth and improved quality of life by expanding domestic non-nuclear energy supplies and improving the efficiency of energy consumption.

Host Country and Other Donors: The energy project is closely coordinated with the Armenian Government at the level of the deputy prime minister and Ministry of Energy. Further, USAID works in cooperation with other major donors, in particular World Bank, EBRD, and European Union donor countries.

Beneficiaries: Direct beneficiaries are leadership and staff of energy entities participating in partnership and training programs. The population at large is the indirect beneficiary, as the project strives to assure more reliable energy supplies in the context of extreme shortages.

Major Outputs: Introduction of legislation to facilitate privatization and tariff reform; improved energy efficiency and safety in industry and buildings; privatization of small hydroelectric installations.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	45%
Training	5%
Commodities	40%
Grants	10%

PROJECT TITLE Health Care Improvement		PROJECT NUMBER 110-004 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)		
FY 1995 500	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1998	ESTIMATED PROJECT COMPLETION FY 1999

Purpose: To strengthen health information and response capabilities while also providing some bridging to longer-term service delivery.

Project Description: Activities to date include training health care officials and providers abroad and establishing two Medical Partnerships between Boston hospitals and counterpart institutions in Yerevan, dealing with trauma and emergency care.

In FY 1995, project activities will focus on upgrading clinical skills and practices, developing management capabilities at all levels of service provision. The Medical Partnerships Program will phase out in FY 1995.

Sustainability: The emphasis of these activities is to find long lasting, socially and financially viable solutions for Armenia's health information and delivery problems. Every attempt is being made to look for less costly, more efficient methods.

Relationship to USAID Strategy: The activities of this project are directly related to the third strategic objective of the U.S., namely to strengthen the capacity to manage the human dimension of the transition to democracy and a market economy, and to help sustain the neediest sectors of the population during the transition period.

Host Country and Other Donors: Armenian national and local government officials are continuing collaboration with the medical partnerships.

Beneficiaries: The immediate beneficiaries of this project are the health care providers who participate and their clients. The entire at-risk populations in Armenia will also benefit from quality improvements in the health care delivery system.

Major Outputs: The medical partnerships will be improving management and care delivery at the selected sites.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	65%
Training	15%
Commodities	10%
Grants	5%
Transfers 632(a) & (b)	5%

PROJECT TITLE Private Sector Initiatives		PROJECT NUMBER 110-005 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)			
FY 1995 2,000		LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998	

Purpose: To create a business environment that is transparent, fair and predictable and that results in foreign and domestic investment.

Project Description: The only project activities that have occurred, or are planned for, in Armenia are in the area of small business development. A long-term business development specialist was assigned to Yerevan and a business development institute has been established to promote entrepreneurship and provide assistance to emerging business organizations. Training and technical assistance to associations include business planning and management advice as well as technical assistance on efficient production and marketing techniques. In addition, the International Executive Service Corp (IESC) has focused on providing volunteers to work in small and medium sized enterprises to help them overcome technical, operational and managerial problems. The provision of private, one-on-one, business volunteers will be continued with FY 1995 funding.

Sustainability: The project aims to develop financially sound and technically capable small enterprises and institutions that support private enterprise, such as training institutions and associations, through the provision of technical assistance and training. The technical assistance and training focuses on the importance of generating revenue by responding to the needs and requirements of the workplace, thereby increasing the long-term viability of the organizations.

Relationship to USAID Strategy: The project directly supports the first objective of U.S. assistance to Armenia, which is to foster the emergence of a market-oriented economy in which the majority of economic resources are privately owned.

Host Country and Other Donors: The IMF is working with the Government to address the overall macroeconomic policy environment as it affects investment, trade and access to foreign exchange for raw materials. The World Bank is providing loans in the sector to foster a better business environment and greater productive capacity in the industrial sector.

Beneficiaries: The managers and employees of the assisted small enterprises and private sector support organizations will directly benefit from this project assistance. The consumer will ultimately benefit from a more efficient and stronger private sector.

Major Outputs: Improved production, management and operations systems in small and medium enterprise through technical assistance provided by private volunteers; an agribusiness service center and several private sector business associations will be established.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	55%
Training	5%
Commodities	38%
Grants	2%

PROJECT TITLE Food Systems Restructuring		PROJECT NUMBER 110-006 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)		
FY 1995 500	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To assist the Armenian Ministry of Agriculture's Extension Service to develop operating procedures and policies necessary to support modernization of the agribusiness sector.

Project Description: This project will focus on the following actions:

- Advisory assistance to senior officials of the Ministry of Agriculture and Extension service regarding reorganization of the service to meet the needs of a market-oriented agriculture system.
- Advisory assistance to the Extension Service regarding outreach programs to agribusinesses, as part of an effort to improve production and marketing skills.
- Training for Ministry/Extension Service officials pertaining to the above actions.

Sustainability: The Government of Armenia is committed to economic restructuring. This project will introduce agricultural sector technologies and help initiate private agribusiness. The aim is to provide the foundation for a viable, self-sustaining agriculture.

Relationship to USAID Strategy: The first objective of U.S assistance policy toward Armenia is to foster the emergence of a competitive, market-oriented economy. Activities to promote private enterprise development and an enabling business environment are key to this strategy. Under this rubric, the strategy targets support for the agricultural extension program, in the context of a commercialization strategy adopted by the Government.

Host Country and Other Donors: The project is being coordinated with the Ministry of Agriculture. Regional governors and agriculture organizations are key counterparts. There are no other donors active in the sector.

Beneficiaries: Participating farmers and government and private agriculture organizations, including local village councils and technical colleges/institutes are the direct beneficiaries. Indirect beneficiaries are the population at large, who will have a greater variety of food products available on a more reliable basis.

Major Outputs: More efficient production and processing technologies reducing input costs and increasing availability of fruits, milk and forages; planning process focused on achieving result; production and marketing fact sheets for various crops. Increased responsibilities and salaries for extension personnel; cooperative extension farmers and agents promoting private, market-driven agribusiness.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	25%
Training	15%
Commodities	6%
Grants	51%
Transfers 632(a) & (b)	3%

PROJECT TITLE Democratic Pluralism Initiatives		PROJECT NUMBER 110-007 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)		
FY 1995 200	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To support Armenia's democratic transition through development of the rule of law and electoral processes.

Project Description: Activities to date have included technical assistance for drafting of legislation, training for judges; and electoral support. Future activities will focus on legal reform and/or civil society development.

Sustainability: The program is designed to ensure that by the end of USAID's support, indigenous personnel can maintain targeted institutions and, to the maximum extent possible, these institutions are financially sustainable.

Relationship to USAID Strategy: Support for Armenia's democratization is one of U.S. Government's highest priorities.

Host Country and Other Donors: There is little other donor activity supporting democratic pluralism in Armenia.

Beneficiaries: Direct beneficiaries are trained judicial and election officials. All Armenians will ultimately benefit from a more informed, democratic, pluralistic and civil society.

Major Outputs: More efficient and informed election processes; strengthened legal and judicial infrastructure; an improved criminal justice reform; and strengthened civic groups.

USAID-Financed Inputs:

Technical assistance
Training
Commodities
Subgrants
Transfers 632(a) & (b)

Life of Project (Est. by Percentage)

30%
30%
20%
13%
7%

PROJECT TITLE Housing		PROJECT NUMBER 110-008 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)			
FY 1995 1,500		LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998	

Purpose: To contribute to development of a private real estate and housing market.

Project Description: During prior years, the project addressed the restructuring of Armenia's housing sector. Laws governing mass housing privatization, urban land/property registration and titling, and condominium formation were enacted and implemented. Pilot projects to demonstrate the benefits of condominium housing were begun, as was a pilot project to demonstrate the potential of privatizing building maintenance and management services. USAID assisted the World Bank to prepare a \$27 million loan for housing sector reconstruction. The process of establishing a legal and fiscal cadastre was begun.

During FY 1995, the project will focus on the following actions:

- Expansion of the demonstration projects. The condominium pilot is to be replicated across the city of Yerevan.
- Technical assistance will be provided in the reconstruction of earthquake-impacted cities of Spitak and Gumri.
- Work on the establishment of the cadastre will be continued, with the objective of giving Armenians effective ability to buy land and property, register it and obtain a clear title, and sell it.

Sustainability: Armenian cities cannot provide needed housing sector services on a cost-effective basis. The project aims to create a self-sustaining housing finance system and to encourage private sector involvement in maintenance and management on a long term, commercially viable basis. The project seeks to institutionalize the capacity within Yerevan State University to training municipal/condominium association managers; a large part of this training is imparted by Armenian consulting firms. Similarly, USAID support to the World Bank reconstruction loan involves the training of some 60 construction managers in modern quality and cost control concepts, with the aim that these practices will be incorporated in future Armenian construction.

Relationship to USAID Strategy: The project addresses the first objective of U.S. assistance strategy for Armenia, which is to foster the emergence of a competitive, market-oriented economy. Under that objective, a key area of programmatic emphasis is to promote private enterprise development and an enabling business environment. Privatization of housing and housing maintenance is featured, in particular the transfer of the condominium concept, along with the development of a dynamic real estate market.

Host Country and Other Donors: The project is coordinated with the Armenian Department of Economy, the Mayor of Yerevan, and the Archdiocese of Yerevan. USAID has supported the World Bank's reconstruction effort, and also coordinates with the United Nations Development Program. No other bilateral donors are active in the sector.

Beneficiaries: Earthquake victims; the population at large, through greater access to housing as units are built/privatized; the local construction and housing services industry; and, municipal government policies.

Major Outputs: Pilot project on condominium housing, including training of officials/residents; pilot project on privatization of maintenance and management services; a system in place for registration/titling of land and buildings permitting clear title and sale by private owners; a reformed system of taxation for real estate based on a new fiscal cadastre.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	38%
Training	5%
Commodities	57%*

*Includes construction and voucher costs for Russian Officer Resettlement Program (56%)

PROJECT TITLE Economic Restructuring and Financial Reform		PROJECT NUMBER 110-009 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)		
FY 1995 2,900	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To help institute fiscal and monetary reform at the legislative, regulatory, and operational level consistent with Armenia's commitment to establish a market-oriented economy founded on democratic principles.

Project Description: Efforts were initiated in early FY 1993 to work out a program for Armenia's financial sector reform in cooperation with the World Bank. A program of activities was negotiated with the Ministry of Economy and the American University of Armenia. This program got under way in FY 1994 with the establishment of a Center for Economic Policy, Research and Analysis (CEPRA), advisory assistance to the Ministry of Economy, and banker training activities.

During FY 1995, the project will focus on the following actions:

- Continued provision of an American economic policy advisor to work with the Ministry of Economy charged with overall coordination of the transition to a market economy.
- Training of commercial bankers in cooperation with the bankers' association.
- Continued provision of U.S. staff advisors in the field of monetary and fiscal policy to the Center for Economic Policy and Research (CEPRA) of the American University of Armenia.

Sustainability: Institutional development is central to this project; a primary intent is develop policy-making and analytical capacities in the field of fiscal and monetary policy which will undergird the long term transformation of the Armenian economy. All advisory assistance is given to Armenian counterparts. It is expected that at termination in 1997 each organization which has received our help will be self-sustaining in terms of core professional competencies.

Relationship to USAID Strategy: This project directly addresses the first objective of U.S. assistance to Armenia, which is to foster the emergence of a competitive market-oriented economy. Under that objective, activities to support macroeconomic stabilization and economic restructuring are featured. Support for CEPRA to become a focal point for education in western economic and financial disciplines is a key objective.

Host Country and Other Donors: The banker training program is conducted in coordination with European Union programs. CEPRA receives strong support from the Government of Armenia, with which all project activities are closely coordinated.

Beneficiaries: The population at large are the main beneficiaries of this project, in terms of its effort to help the government control inflation and set policies which will speed the restructuring process which will open greater opportunities for all citizens in the context of economic security. Participating Armenian government and educational institutions are direct beneficiaries.

Major Outputs: Acceleration of economic policy reforms; CEPRA a fully functioning center of excellence by January-February, 1995; improved commercial banking skills.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	64%
Training	15%
Commodities	2%
Grants	7%
Transfers 632(a) & (b)	12%

PROJECT TITLE Eurasia Foundation		PROJECT NUMBER 110-010 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)			
FY 1995* * Funding under NIS Regional		LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1993	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998	

Purpose: To support economic reform, governmental reform and the nonprofit sector, and media and communications activities through an independent grant-making institution.

Project Description: The Foundation has awarded grants for activities in all of the New Independent States of the former Soviet Union (NIS). The grant activities in Armenia include: development of a legal database of new legislation by the Armenian Bar Association; creation of a certificate program in Public Policy and Management at the American University of Armenia; a week-long seminar facilitating discussions and communications between Armenia and Azerbaijan organized by the Foundation for Global Community; Columbia University Libraries provided textbooks on management, economics, and other social sciences; East-West TV is documenting the experience of NIS participants in American exchanges; and, participation in other multi-countries grant programs.

The Foundation will continue to award grants to U.S. and indigenous non-profit organizations such as sister cities programs, cooperating U.S. and NIS universities, technical institutes or hospitals, and traditional NGOs in need of strengthening. A new program in the for-profit sector will make recoverable grants or small loans, called Program Related Investments (PRIs). PRIs must be to organizations that fit within the Foundation's original purposes and be targeted at for-profit organizations. This could include support to indigenous publishers who desire to translate and publish important U.S. textbooks in economics, management or public administration.

Sustainability: It is estimated that for every dollar provided by the Foundation, two dollars is leveraged from the assisted entity. This demonstrated the commitment of the participating party or parties. Grants are only given to augment planned activities which show a high degree of existing involvement from NIS counterparts. Training in financial management and business planning are key elements to much of the Foundation's work to address the sustainability of supported activities.

Relationship to USAID Strategy: These grants are helping achieve each of the three U.S. assistance objectives in the New Independent States of the former Soviet Union by supporting activities to create a more competitive, market oriented economy, to provide more transparent and accountable governance through empowered citizens, and to redefine public and private sector roles in the management of social services. The grants also provide small-scale assistance - a need not otherwise met by USAID.

Host Country and Other Donors: Each assisted entity utilizes its own resources, staff time and facilities as part of its contribution. The Foundation works with other U.S. groups to augment their efforts. There is no assistance from the Armenian Government.

Beneficiaries: The immediate beneficiaries are the grantees and the people they serve. However, a stronger private sector, a more open and efficient public administration, and a better, freer press and media will benefit all citizens of the NIS.

Major Outputs: Improved access to legal information; improved capacity of local institutions to develop and administer programs; curriculum development in the social sciences.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Commodities	15%
Grants	85%

PROJECT TITLE NIS Exchanges and Training		PROJECT NUMBER 110-012 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)		
FY 1995 750	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1993	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: This project funds U.S.-based exchanges and training (short- and long-term) to 1) equip a broad base of current and future Armenian leaders and professionals with specialized skills, practical experiences and new attitudes needed to develop and support market-oriented economic systems and democratic governance; and 2) build sustainable U.S.-Armenian personal contacts and institutional linkages to facilitate trade, investment, technology transfer and cooperation on global issues of mutual concern.

Project Description: In support of Armenia's transition towards participatory democracy and market economics, highly specialized training which complements and reinforces on-going technical assistance efforts is provided to reformers and emerging private sector leaders and professionals attempting to implement structural change. To the extent possible, U.S.-sponsored training programs are combined with one on one experience with U.S. practitioners or internships in U.S. public or private sector organizations and provide exposure to U.S. community-based activities, including the operations of federal, state and local governments and non-governmental organizations and cultural institutions. In-country training provides support to on-going sector assistance activities. Priority training areas for Armenia will be in the economic restructuring arena: housing, housing finance, banking, economic training, tax and stock market development.

Sustainability: The nature of training suggests that the knowledge and skills gained will endure well beyond the length of training, allowing the recipient to draw upon newly-acquired skills for decision-making or problem solving purposes in response to immediate priority needs and long-term requirements. To this end, the aim of our training program is to create durable linkages between participants and individuals and/or institutions encountered during the time spent in the U.S. Maintaining linkages will reinforce the knowledge gained and new ways of thinking acquired through the training experience.

Relationship to USAID Strategy: Training has been a central theme in USAID's NIS Program since its inception. The sharing of U.S. experience and the provision of training in democratic principles and the management of a market economy are key elements of USAID's strategy for Armenia. This Project focusses on key sector issues which are also being addressed by our technical assistance programs in other projects.

Host Country and Other Donors: Host country contributions will be programmed as required. Project assistance will be coordinated with other donors as appropriate. USAID will also seek contributions from U.S. educational institutions to the maximum extent possible.

Beneficiaries: The direct beneficiaries of the project include the individuals and universities/training institutions receiving training opportunities. Indirect beneficiaries include citizens of Armenia who will enjoy the benefits of sustained institutional change.

Major Outputs: Approximately 135 Armenians will be the recipients of U.S.-sponsored technical training while 205 will participate in separate USIA exchange opportunities.

USAID-Financed Inputs**Life of Project (Est. by Percentage)**

Training

100%

Azerbaijan

AZERBAIJAN

NATIONAL INCOME AND EXPENDITURES

Per Capita GNP in U.S.\$ (1992) 740

Government Budgetary Expenditures as % of GDP by Economic Type (1992)

Total Expend. 37.6% Current Expend. NA Capital Expend. NA

General Government Budget Balance in % of GDP (1992) -26.8%

INTERNATIONAL RESERVES AND EXTERNAL DEBT

Official International Reserves (\$ Millions, US) NA

External Public Debt as % of GDP () NA

Service Payments on External Debt ():

As % of Total Export Earnings NA

POPULATION

Total Population (Thousands, 1991) 7,120

Population Growth Rate:

(1985-90) 1.4% (1990-91) 0.1%

Population (1990) By Age Group:

(0-14 yrs) 33.1% (15-64 yrs) 61.3% (65+ yrs) 5.6%

Total Fertility Rate (1985) 3.0 (1990) 2.7

HOUSEHOLD INCOME AND EMPLOYMENT

Income Share by Source as % of Total Household Income (1992)

Labor 81.0% Transfers 19.0%

Labor Force Participation Rate (1989)

Total 42.1% Male 48.8% Female 35.7%

Proportion of Labor Force by Sector of Employment (1992)

Agriculture 33.7% Industry 24.3% Services 42.0

EXTERNAL TRADE

Current Account Balance (\$ Millions, US) NA

Total Imports (\$ Millions, US) NA

Of Which % From U.S. () NA

Major Imports (1991): MACHINERY & PARTS, CONSUMER DURABLES, FOODSTUFFS, TEXTILES

Total Exports (\$ Millions, US) NA

Of Which % to U.S. () NA

Major Exports (1991): OIL & GAS, CHEMICALS, OILFIELD EQUIPMENT, TEXTILES, COTTON

Trading Partners: NIS, EUROPEAN COUNTRIES

AGRICULTURE

Agricultural Production as % of GDP (1991) 28.2%

Shares of Gross Agricultural Production by Form of Ownership (1992)

Collective 36.2% State 25.3% Private Plot 38.5% Private Farm 0.0%

HEALTH

Life Expectancy at Birth, in Years (1991) 71.2

Infant Deaths in First Yr of Life per 1000 Live Births (1990) 25.2

Percent of Children 12-23 Months Old Fully Immunized Against:

Tuberculosis(BCG) 66.0% (1992) Measles 66.0% (1992)

Diphtheria(DPT3) 72.0% (1992) Polio(3) 70.0% (1992)

EDUCATION AND LITERACY

Total School Enrollment as Ratio of Population in Age Group (1990-91):

General Education Total 66% Female NA

Literacy Rate (1970) Male 100% Female 100%

AZERBAIJAN

PROGRAM OBLIGATION SUMMARY (In thousands of dollars)			
CATEGORY	FY 1993 (ACTUAL)	FY 1994 (ESTIMATED)	FY 1995 (PLANNED)
All accounts	\$3,832	\$11,800	\$10,000
TOTALS			

PERSONNEL DATA - MISSION DIRECT HIRE			
CATEGORY	FY 1993 (ACTUAL)	FY 1994 (ESTIMATED)	FY 1995 (PLANNED)
U.S. National			
Foreign National			
TOTALS			

Participant Training Data: AZERBAIJAN			
Participant Category	FY 1993 Actual	FY 1994 Estimated	FY 1995 Planned
US NET Project	1	15	20
USIA Exchanges	39	65	50
Other US Training	6	12	9
TOTAL	46	92	79

AZERBAIJAN

Introduction

Azerbaijan has struggled in its efforts to establish itself as a viable independent state following the break-up of the former Soviet Union, despite the presence of extensive oil reserves. The primary problem has been the desire of the country's ethnic Armenians to unite the Nagorno-Karabakh area that they predominately live in, with Armenia. In addition, there is some tension among Azerbaijanis as they are ethnically and linguistically linked to Turkey, but religiously are allied with the Shi'as in Iran rather than the Sunnis of Turkey. The U.S. is supporting efforts to peacefully resolve the conflict with Armenia, to relieve the humanitarian suffering brought on by fighting through non-governmental organization (NGO) programs directed to the people of Azerbaijan.

USAID Development Strategy and Accomplishments to Date

The FREEDOM Support Act, Section 907, prohibits assistance to the Government of Azerbaijan until it takes steps to cease the blockade and use of force against Armenia and Nagorno-Karabakh. Therefore, U.S. assistance has focused on using NGOs to provide relief to those suffering as a result of the conflict, primarily refugees. While it took some time for the U.S. and international NGO community to mobilize to work in Azerbaijan, through December of 1993 we have provided over \$29 million in humanitarian assistance and \$2 million in United States Information Agency (USIA) -sponsored exchanges for private citizens. Food, shelter and medicines have been provided to approximately 250,000 refugees and 680,000 displaced persons through international and private voluntary organizations.

The U.S. will continue to support efforts to peacefully resolve the conflict over Nagorno-Karabakh, while providing humanitarian assistance to deal with some of the consequences of the fighting. The U.S. strategy will be to continue also the training and exchanges of private citizens and organizations in order to build a better understanding of legal, business, economic and educational concepts and democratic practices among the future leaders and participants in Azerbaijan's economy. Thus, if the conflict can be resolved and a more traditional program of assistance is initiated, there will be a group of interested and informed citizens with whom to work.

Other Donors

The UNHCR is playing a lead role in coordinating humanitarian assistance provided by the EC and a few other bilateral donors. The United Nations Development Program (UNDP), United Nations International Children's Education Fund (UNICEF), World Food Program (WFP) and World Health Organization (WHO) are also providing some assistance, of a predominately humanitarian nature. The World Bank has only approved one \$45 million loan in June 1994 to begin upgrading Baku's water supply. The International Monetary Fund (IMF) has sent several technical missions to Azerbaijan, but the Government has not officially sought out IMF advice and assistance.

FY 1995 Program

The Azerbaijan program of \$10 million planned for FY 1995 is overwhelmingly focused on the humanitarian assistance effort, which seeks to alleviate the suffering of displaced persons in Azerbaijan and those people subject to the economic blockade in the enclave of Nakhichevan. Humanitarian relief will be allocated \$9 million to use for feeding vulnerable groups and closely related efforts such as emergency assistance to internally displaced persons. The remaining \$1 million will be dedicated to training programs for private individuals.

USAID Regional Representative: Suzanne Olds

PROJECT TITLE Special Initiatives		PROJECT NUMBER 110-001 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)			
FY 1995 9,000		LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998	

Purpose: To provide humanitarian assistance targeted to the most vulnerable of Azerbaijan's estimated 900,000 displaced persons and to vulnerable populations in the blockaded economy of the Nakhichevan exclave.

Project Description: In prior years, the project has worked through PVOs to help vulnerable persons from the Nakhichevan exclave. It has provided food to the Red Cross Society for distribution to the neediest. Relief supplies (tents/food/medical/sanitary commodities) have been provided to persons fleeing from the fighting in the Nagorno-Karabakh enclave.

During FY 1995, the project will focus on continued relief to the most severely affected displaced persons from the Nagorno-Karabakh region and blockaded populations in Nakhichevan; working through PVOs and international organizations to provide medical and food relief to small children and displaced persons; continued support to multilateral humanitarian assistance efforts of agencies of the United Nations including assistance in refugee/displaced persons resettlement; purchase pharmaceuticals and medical supplies to support health response projects in Azerbaijan. The projects will be designed to train private health staffs in pharmaceutical management and the appropriate and internationally acceptable therapies to treat women during pregnancy, labor and delivery, and the post partum period. USAID food assistance is targeted at the most vulnerable groups within the displaced/refugee population. USAID food assistance is channeled via bilateral PVO programs and contributions towards World Food Program (WFP) emergency appeals.

Sustainability: Project activities seek to build a medical services capability that will remain in place following the completion of relief distribution. Similarly, a strengthened indigenous PVO sector will increase economic self-reliance and capacity to deal with future problems.

Relationship to USAID Strategy: The U.S. Government's intent is to reach the most vulnerable population groups of Azerbaijan.

Host Country and Other Donors: United States relief aid to Azerbaijan is coordinated with the United Nations High Commission for Refugees and UNICEF. Assistance is not channeled through the Government of Azerbaijan. Part of this aid will be a contribution to the U.N. consolidated appeal for Azerbaijan.

Beneficiaries: Approximately 60,000 persons each month will be the recipients of medical assistance and 50,000 displaced persons will be provided with food and other relief commodities.

Major Outputs: Essential foods and medicines delivered to vulnerable population groups. Improved capability of Azerbaijani medical personnel to treat infectious diseases and improved sanitation and better farming practices in the Nakhichevan exclave.

USAID-Financed Inputs:
(Humanitarian Assistance)

Life of Project (Est. by Percentage)

Technical Assistance	3%
Training	1%
Commodities	66%
Grants	30%

PROJECT TITLE Eurasia Foundation		PROJECT NUMBER 110-010 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)			
FY 1995* • Funding under NIS Regional		LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1993	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998	

Purpose: To support economic reform, governmental reform and the nonprofit sector, and media and communications activities through an independent grant-making institution.

Project Description: The Foundation has awarded grants for activities in all of the New Independent States of the former Soviet Union (NIS). In Azerbaijan, the Foundation has initiated its activities by awarding a grant to the Foundation for Global Community to conduct a week-long seminar facilitating discussions and communications between Armenia and Azerbaijan, in order to facilitate the peace process.

The Foundation will continue to award grants to U.S. and indigenous non-profit organizations such as sister cities programs, cooperating U.S. and NIS universities, technical institutes or hospitals, and traditional NGOs in need of strengthening. A new program in the for-profit sector will make recoverable grants or small loans, called Program Related Investments (PRIs). PRIs must be to organizations that fit within the Foundation's original purposes and be targeted at for-profit institutions. This could include support to indigenous publishers who desire to translate and publish important U.S. textbooks in economics, management or public administration.

Sustainability: It is estimated that for every dollar provided by the Foundation, two dollars is leveraged from the assisted entity. This demonstrated the commitment of the participating party or parties. Grants are only given to augment planned activities which show a high degree of existing involvement from NIS counterparts. Training in financial management and business planning are key elements to much of the Foundation's work to address the sustainability of supported activities.

Relationship to USAID Strategy: These grants are helping achieve each of the three U.S. assistance objectives in the New Independent States of the former Soviet Union by supporting activities to create a more competitive, market oriented economy, to provide more transparent and accountable governance through empowered citizens, and to redefine public and private sector roles in the management of social services. The grants also provide small-scale assistance - a need not otherwise met by USAID.

Host Country and Other Donors: Each assisted entity utilizes its own resources, staff time and facilities as part of its contribution. The Foundation works with other U.S. groups to augment their efforts. There is no assistance from the Azerbaijan Government.

Beneficiaries: The immediate beneficiaries are the grantees and the people they serve. However, a stronger private sector, a more open and efficient public administration, and a better, freer press and media will benefit all citizens of the NIS.

Major Outputs: Outputs to be determined as the country program becomes more defined.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Commodities	15%
Grants	85%

PROJECT TITLE NIS Exchanges and Training		PROJECT NUMBER 110-012 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)			
FY 1995 500		LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1993	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998	

Purpose: This project funds U.S.-based exchanges and training (short- and long-term) to 1) equip a broad base of current and future Azerbaijan leaders and professionals with specialized skills, practical experiences and new attitudes needed to develop and support market-oriented economic systems and democratic governance; and 2) build sustainable U.S.-Azerbaijan personal contacts and institutional linkages to facilitate trade, investment, technology transfer and cooperation on global issues of mutual concern.

Project Description: In support of Azerbaijan's transition towards participatory democracy and market economics, highly specialized training which complements and reinforces on-going technical assistance efforts is provided to reformers and emerging private sector leaders and professionals attempting to implement structural change. To the extent possible, U.S.-sponsored training programs are combined with one on one experience with U.S. practitioners or internships in U.S. public and private sector organizations and provide exposure to U.S. community-based activities, including the operations of federal, state and local governments and non-governmental organizations and cultural institutions. In-country programs provide training support to on-going sector assistance activities. Because of Section 907 restrictions on aid to Azerbaijan, U.S. training assistance can only be provided to private Azerbaijani citizens who work in nongovernmental organizations. The Administration will consult with Congress before implementing any new assistance programs in Azerbaijan. Priority training areas for Azerbaijan are likely to include the environment, humanitarian relief and democracy building.

Sustainability: The nature of training suggests that the knowledge and skills gained will endure well beyond the length of training, allowing the recipient to draw upon newly-acquired skills for decision-making or problem solving purposes in response to immediate priority needs and long-term requirements. To this end, the aim of our training program is to create durable linkages between participants and individuals and/or institutions encountered during the time spent in the U.S. Maintaining linkages will reinforce the knowledge gained and new ways of thinking acquired through the training experience.

Relationship to USAID Strategy: Training has been a central theme in USAID's NIS Program since its inception. The sharing of U.S. experience and the provision of training in democratic principles and the management of a market economy are key elements of USAID's strategy for Azerbaijan. This Project focusses on key sector issues which are also being addressed by our technical assistance programs in other projects.

Host Country and Other Donors: Host country contributions will be programmed as required. Project assistance will be coordinated with other donors as appropriate. USAID will also seek contributions from U.S. educational institutions to the maximum extent possible.

Beneficiaries: The direct beneficiaries of the project include the individuals and universities/training institutions receiving training opportunities. Indirect beneficiaries include citizens of Azerbaijan who will enjoy the benefits of sustained institutional change.

Major Outputs: Approximately 50 Azerbaijanis will be the recipients of U.S.-sponsored technical training while 140 will participate in separate USIA exchange opportunities.

USAID-Financed Inputs

Life of Project (Est. by Percentage)

Training

100%

BELARUS

NATIONAL INCOME AND EXPENDITURES

Per Capita GNP in U.S.\$ (1992) 2,930

Government Budgetary Expenditures as % of GDP by Economic Type (1990)

Total Expend. 34.7% Current Expend. NA Capital Expend. NA

General Government Budget Balance in % of GDP (1992) -5.7%

INTERNATIONAL RESERVES AND EXTERNAL DEBT

Official international Reserves (\$ Millions, US) NA

External Public Debt as % of GDP (1992) 0.67%

Service Payments on External Debt (1993):

As % of Total Export Earnings 0.58%

POPULATION

Total Population (Thousands, 1991) 10,213

Population Growth Rate:

(1985-90) 0.6% (1990-91) 0.0%

Population (1990) By Age Group:

(0-14 yrs) 23.1% (15-64 yrs) 64.9% (65+ yrs) 12.0%

Total Fertility Rate (1985) 2.2 (1990) 2.1

HOUSEHOLD INCOME AND EMPLOYMENT

Income Share by Source as % of Total Household Income (1992)

Labor 76.4% Transfers 23.6%

Labor Force Participation Rate (1989)

Total 52.2% Male 57.1% Female 47.8%

Proportion of Labor Force by Sector of Employment (1992)

Agriculture 20.7% Industry 39.9% Services 39.4%

EXTERNAL TRADE

Current Account Balance (\$ Millions, US) NA

Total Imports (\$ Millions, US) NA

Of Which % From U.S. () NA

Major Imports (1992): MACHINERY, CHEMICALS, TEXTILES

Total Exports (\$ Millions, US) NA

Of Which % to U.S. () NA

Major Exports (1992): MACHINERY & TRANSPORT EQUIPMENT, CHEMICALS, FOODSTUFFS

Trading Partners: NA

AGRICULTURE

Agricultural Production as % of GDP (1991) NA

Shares of Gross Agricultural Production by Form of Ownership (1992)

Collective 48.3% State 17.8% Private Plot 32.5% Private Farm NA

HEALTH

Life Expectancy at Birth, in Years (1991) 73.3

Infant Deaths in First Yr of Life per 1000 Live Births (1990) 12.4

Percent of Children 12-23 Months Old Fully Immunized Against:

Tuberculosis(BCG) 95.0% (1992) Measles 94.0% (1992)

Diphtheria(DPT3) 87.0% (1992) Polio(3) 90.0% (1992)

EDUCATION AND LITERACY

Total School Enrollment as Ratio of Population in Age Group (1990-91):

General Education Total 67% Female NA

Literacy Rate (1970) Male 100% Female 100%

BELARUS

PROGRAM OBLIGATION SUMMARY (In thousands of dollars)			
CATEGORY	FY 1993 (ACTUAL)	FY 1994 (ESTIMATED)	FY 1995 (PLANNED)
All accounts	\$6,982	\$12,115	\$4,800
TOTALS			

PERSONNEL DATA - MISSION DIRECT HIRE			
CATEGORY	FY 1993 (ACTUAL)	FY 1994 (ESTIMATED)	FY 1995 (PLANNED)
U.S. National Foreign National			
TOTALS			

Participant Training Data: BELARUS			
Participant Category	FY 1993 Actual	FY 1994 Estimated	FY 1995 Planned
US NET Project	7	78	39
USIA Exchanges	155	65	100
Other US Training	14	23	18
TOTAL	176	166	157

BELARUS

Introduction

Belarus is the country most severely impacted by the Chernobyl disaster. It is one of the four "nuclear republics" resulting from the breakup of the Soviet Union. Belarus was the first to commit itself to joining the Nuclear Non-Proliferation Treaty and to sending its nuclear warheads to Russia for dismantling, which is on-going. U.S. interest in Belarus is centered on the successful completion of this process and encouraging the beginning of economic reform.

USAID Development Strategy and Accomplishments to Date

Belarus has been slow to adopt basic restructuring of its Soviet-era economy. The new President elected in July 1994 has indicated interest in undertaking significant privatization of state-owned enterprises. USAID programs in Belarus have been primarily addressed to democratization, health care, energy efficiency and limited support for private business and agriculture development. Small-scale privatization activities have been implemented in conjunction with the International Finance Corporation (IFC), however, the ability to move beyond these initial pilots is limited by continuing state controls throughout the economy.

Other Donors

U.S. assistance to Belarus is coordinated with the World Bank, IFC and other bilateral donors, in particular Germany.

FY 1995 Program

Until the policy direction of the government is clear with regard to fundamental reform, USAID assistance will be limited to environment, health, democratization, and exchanges and training. USAID is planning a \$5.1 million program in FY 95.

Belarus is one of the countries eligible for the West NIS Enterprise Fund. Investments by the fund will require a hospitable business environment that will allow private investments to thrive.

Regional Mission Director: Terrence McMahon

PROJECT TITLE Environment Policy and Technology		PROJECT NUMBER 110-003 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)			
FY 1995 1,000		LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1993	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998	

Purpose: To address environmental health threats from industry, power generation and municipal sources.

Project Description: Beginning in FY 1994, the project evaluated several Chernobyl radionuclide mitigation proposals.

In FY 1995, the project will focus on the following activities:

- Environmental audits of several large industrial sites.
- Wider-area monitoring following on industrial audits.
- Pilot scale assessment/demonstration of pollution reduction in urgent cases.
- Strengthening of Environment Ministry monitoring capabilities associated with implementation of low-cost pollution control measures.
- Mitigation of radiation problems caused by the Chernobyl accident and lack of safeguards in general.

Sustainability: Training local personnel to identify no- and low-cost methods of reducing pollution should transfer to other sites in similar industries. In most cases, pollution reduction strategies suggested as a result of environmental audits will minimize overall production costs, thereby increasing incentives to sustain new control measures. Training of key personnel will help ensure sustained utilization and replication of improved pollution monitoring, prevention and control practices.

Relationship to USAID Strategy: Attention to the environmental legacy of the former Soviet Union, epitomized but not limited to the Chernobyl accident, is a cross-cutting theme of U.S. assistance in NIS countries.

Host Country and Other Donors: The project is coordinated with the central Ministry of Environment and the national Academy of Science. The European Union donor countries are the principal other donors with which the project is coordinated. Joint consultation also occurs with the multidonor task force for the implementation of the Environmental Action Program for Central and Eastern Europe.

Beneficiaries: Local government and industrial organizations. Affected populations near major industrial sites, nuclear power facilities and municipal sources of pollution.

Major Outputs: Industrial environmental audits and equipment provided to major polluting complexes; industrial pollution reduced at selected sites; water quality improved in the Pripjat basin, the source of most drinking water for Belarus; increased public and NGO participation in environmental policy.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	55%
Training	14%
Commodities	20%
Grants	8%
Transfers 632(a) & (b)	3%

PROJECT TITLE Health Care Improvement		PROJECT NUMBER 110-004 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)		
FY 1995 1,500	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1998	ESTIMATED PROJECT COMPLETION FY 1999

Purpose: To support health care financing and service delivery reform; to improve reproductive health care services; and to strengthen health information and response capabilities.

Project Description:

Activities to date include the training abroad of health care officials and providers, and the establishment of a medical partnership between the Children's Hospital of Pittsburgh and counterpart institutions in Minsk.

The Medical Partnerships Program will continue in FY 1995 and will focus on upgrading clinical skills and practices, developing management capabilities at all levels of service provision and improving the nursing profession. Health care financing and delivery reform activities will be supported through short-term technical assistance and training.

Sustainability: The emphasis of these activities is to find long lasting, socially and financially viable solutions to Belarus' health care and service delivery problems. Every attempt is being made to look for less costly, more efficient methods to obtain the high degree of health coverage that existed prior to the break up of the former Soviet Union and to define public and private sector responsibilities for provision of health care.

Relationship to USAID Strategy: The activities of this project are directly related to the third strategic objective of the U.S., namely to strengthen the capacity to manage the human dimension of the transition to democracy and a market economy, and to help sustain the neediest sectors of the population during the transition period.

Host Country and Other Donors: Belarus national and local government officials are cooperating with health financing and service delivery reform and medical partnerships programs.

Beneficiaries: The immediate beneficiaries of this project are the health care providers who participate and their clients. The entire at-risk populations in Belarus will also benefit from quality improvements in the health care delivery system.

Major Outputs: Improved efficiency and quality of services, leading towards sustainability, through health reform activities; improved management and care delivery through the medical partnerships; reduction in maternal and infant mortality rates through improved reproductive health care.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	65%
Training	15%
Commodities	10%
Grants	5%
Transfers 632(a) & (b)	5%

PROJECT TITLE Democratic Pluralism Initiatives		PROJECT NUMBER 110-007 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)		
FY 1995 300	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To support Belarus' transition to democracy through development of the rule of law, independent media, electoral and political processes and civil society.

Project Description: Activities to date have included: support to strengthen independent media operations; training of commercial and civil court judges; and the development of indigenous non-governmental institutions through partnerships with U.S. NGO/PVOs.

Democratic pluralism activities planned for Belarus during FY 95 are as follows:

- The Rule of Law program and the American Bar Association will develop judicial training programs and continuing legal education programs for defense attorneys and prosecutors; establish an independent judiciary; develop an indigenous bar association; and provide general legal assistance including drafting of laws related to commercial law, crime and corruption.
- The media will be strengthened through technical assistance and training activities.
- Under Civil Society development, USAID grantees will strengthen indigenous NGO capacity in targeted geographic regions through technical assistance, training, small grants, and reduce legal constraints to NGO development.

Sustainability: The program is designed to ensure that by the end of USAID's support, indigenous personnel can maintain targeted institutions and, to the maximum extent possible, these institutions are financially sustainable.

Relationship to USAID Strategy: Support for Belarus' democratization is one of the U.S. Government's highest priorities.

Host Country and Other Donors: There is little other donor activity supporting democratic pluralism in Belarus.

Beneficiaries: Direct beneficiaries are trained judicial and election officials, media specialist and NGO participants. All Belarusians will ultimately benefit from a more informed, democratic, pluralistic and civil society.

Major Outputs: More efficient and informed legislative process; strengthened legal and judicial infrastructure, improved criminal justice reform; strengthened democratic political parties; independent media groups better trained and more financially viable; and NGO operations expanded and strengthened.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	30%
Training	30%
Commodities	20%
Subgrants	13%
Transfers 632(a) & (b)	7%

PROJECT TITLE Eurasia Foundation		PROJECT NUMBER 110-010 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)		
FY 1995* * Funding from NIS Regional	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1993	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To support economic reform, governmental reform and the nonprofit sector, and media and communications activities through an independent grant-making institution.

Project Description: The Foundation has awarded grants for activities in all of the New Independent States of the former Soviet Union (NIS). The grant activities in Belarus include: Junior Achievement pilot business programs; attendance at a conference sponsored by the Foundation for a Civil Society; government employees were brought to the U.S. by ECOLOGIA for training in drafting environmental legislation; International Research and Exchanges Board set up public access electronic mail stations; East-West TV is documenting the experience of NIS participants in American exchanges; and, participation in other multi-countries grant programs.

The Foundation will continue to award grants to U.S. and indigenous non-profit organizations such as sister cities programs, cooperating U.S. and NIS universities, technical institutes or hospitals, and traditional NGOs in need of strengthening. A new program in the for-profit sector will make recoverable grants or small loans, called Program Related Investments (PRIs). PRIs must be to organizations that fit within the Foundation's original purposes and be targeted at for-profit institutions. This could include support to indigenous publishers who desire to translate and publish important U.S. textbooks in economics, management or public administration.

Sustainability: It is estimated that for every dollar provided by the Foundation, two dollars is leveraged from the assisted entity. This demonstrated the commitment of the participating party or parties. Grants are only given to augment planned activities which show a high degree of existing involvement from NIS counterparts. Training in financial management and business planning are key elements to much of the Foundation's work to address the sustainability of supported activities.

Relationship to USAID Strategy: These grants are helping achieve each of the three U.S. assistance objectives in the New Independent States of the former Soviet Union by supporting activities to create a more competitive, market oriented economy, to provide more transparent and accountable governance through empowered citizens, and to redefine public and private sector roles in the management of social services. The grants also provide small-scale assistance - a need not otherwise met by USAID.

Host Country and Other Donors: Each assisted entity utilizes its own resources, staff time and facilities as part of its contribution. The Foundation works with other U.S. groups to augment their efforts in modest ways. There is no assistance from the Belarus Government. The MacArthur and Soros Foundations are involved in similar types of grant making.

Beneficiaries: The immediate beneficiaries are the grantees and the people they serve. However, a stronger private sector, a more open and efficient public administration, and a better, freer press and media will benefit all citizens of the NIS.

Major Outputs: American-Belarusian Foreign Investment Center operational; curriculum development in the area of business; business incubator at Belarus State University established; International Management Institute - Belarus equipped with computer hardware and software.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Commodities	15%
Grants	85%

PROJECT TITLE NIS Exchanges and Training		PROJECT NUMBER 110-012 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)		
FY 1995 500	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1993	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: This project funds U.S.-based exchanges and training (short- and long-term) to: 1) equip a broad base of current and future Belarusian leaders and professionals with specialized skills, practical experiences and new attitudes needed to develop and sport free enterprise and democratic governance ; and 2) build sustainable U.S.-Belarus personal contacts and institutional linkages to facilitate trade, investment, technology transfer and cooperation on global issues of mutual concern.

Project Description: In support of Belarus' transition towards participatory democracy and market economics, highly specialized training which complements and reinforces on-going technical assistance efforts is provided to the reformers and emerging private sector leaders and professionals attempting to implement structural change. To the extent possible, U.S.-sponsored training programs are combined with first hand experience with U.S. practitioners or internships in U.S. public and private sector organizations and provide exposure to U.S. community-based activities, including the operations of federal, state and local governments and non-governmental organizations and cultural institutions. Training is primarily aimed at reformers in key economic ministries and other public and private institutions. In-country programs provide training support to on-going sector assistance activities. Special areas of interest include indigenous non-governmental organizations, the banking sector, agricultural production, communications, business development, energy and the environment.

Sustainability: The nature of training suggests that the knowledge and skills gained will endure well beyond the length of training, allowing the recipient to draw upon newly-acquired skills for decision-making or problem solving purposes. To this end, the aim of our training program is to create durable linkages between participants and individuals and/or institutions encountered during the time spent in the U.S. Maintaining linkages will reinforce the new knowledge gained and new ways of thinking acquired through the training experience.

Relationship to USAID Strategy: Training has been a central theme in USAID's NIS Program since its inception. The sharing of U.S. experience and the provision of training in democratic principles and the management of a market economy are key elements of USAID's strategy for Belarus. This Project focusses on key sector issues which are also being addressed by our technical assistance programs in other projects.

Host Country and Other Donors: Host country contributions will be programmed as required. Project assistance will be coordinated with other donors as appropriate. USAID will also seek contributions from U.S. educational institutions to the maximum extent possible.

Beneficiaries: The direct beneficiaries of the project include the individuals and their organizations and universities/training institutions receiving training opportunities. Indirect beneficiaries include citizens of Belarus who will enjoy the benefits of sustained institutional change.

Major Outputs: Approximately 150 Belarusians will be the recipients of U.S.-sponsored technical training while another 294 will participate in separate USIA exchange opportunities.

USAID-Financed Inputs	Life of Project (Est. by Percentage)
Training	100%

Georgia

GEORGIA

NATIONAL INCOME AND EXPENDITURES

Per Capita GNP in U.S.\$ (1992) 850

Government Budgetary Expenditures as % of GDP by Economic Type (1991)
Total Expend. 33.1% Current Expend. 33.1% Capital Expend. NA

General Government Budget Balance in % of GDP (1992) -35.1%

INTERNATIONAL RESERVES AND EXTERNAL DEBT

Official International Reserves (\$ Millions, US) NA

External Public Debt as % of GDP () NA

Service Payments on External Debt (1993):
As % of Total Export Earnings 0.86%

POPULATION

Total Population (Thousands, 1991) 5,420

Population Growth Rate:
(1985-90) 0.6% (1990-91) 0.0%

Population (1990) By Age Group:
(0-14 yrs) 24.1% (15-64 yrs) 65.2% (65+ yrs) 10.7%

Total Fertility Rate (1985) 2.2 (1990) 2.1

HOUSEHOLD INCOME AND EMPLOYMENT

Income Share by Source as % of Total Household Income (1992)
Labor 77.3% Transfers 22.7%

Labor Force Participation Rate (1989)
Total 48.8% Male 55.2% Female 43.0%

Proportion of Labor Force by Sector of Employment (1992)
Agriculture 26.9% Industry 28.7% Services 44.4%

EXTERNAL TRADE

Current Account Balance (\$ Millions, US) NA

Total Imports (\$ Millions, US) NA
Of Which % From U.S. () NA

Major Imports (1992): MACHINERY & PARTS, FUEL, TRANSPORT EQUIPMENT,
TEXTILES

Total Exports (\$ Millions, US) NA
Of Which % to U.S. () NA

Major Exports (1992): CITRUS FRUITS, TEA, OTHER AGRICULTURAL
PRODUCTS, MACHINERY, METALS, TEXTILES

Trading Partners: RUSSIA, TURKEY, ARMENIA, AZERBAIJAN, UKRAINE

AGRICULTURE

Agricultural Production as % of GDP (1991) NA

Shares of Gross Agricultural Production by Form of Ownership (1992)
Collective 26.3% State 19.7% Private Plot 54.0% Private Farm NA

HEALTH

Life Expectancy at Birth, in Years (1991) 72.6

Infant Deaths in First Yr of Life per 1000 Live Births (1990) 18.9

Percent of Children 12-23 Months Old Fully Immunized Against
Tuberculosis(BCG) 63.0% (1992) Measles 58.0% (1992)
Diphtheria(DPT3) 45.0% (1992) Polio(3) 45.0% (1992)

EDUCATION AND LITERACY

Total School Enrollment as Ratio of Population in Age Group (1990-91):
General Education Total 69% Female NA

Literacy Rate (1970) Male 100% Female 100%

GEORGIA

PROGRAM OBLIGATION SUMMARY (in thousands of dollars)			
CATEGORY	FY 1993 (ACTUAL)	FY 1994 (ESTIMATED)	FY 1995* (PLANNED)
All accounts	\$14,705	\$36,923	\$25,000
TOTALS			

PERSONNEL DATA - MISSION DIRECT HIRE			
CATEGORY	FY 1993 (ACTUAL)	FY 1994 (ESTIMATED)	FY 1995 (PLANNED)
U.S. National Foreign National			1
TOTALS			1

Participant Training Data: Georgia			
Participant Category	FY 1993 Actual	FY 1994 Estimated	FY 1995 Planned
US NET Project	6	83	30
USIA Exchanges	30	87	80
Other US Training	14	23	14
TOTAL	50	193	124

* In addition to USAID's assistance program, USDA will provide an estimated \$35 million to Georgia in FY 1995 for a total economic assistance package of \$60 million.

GEORGIA

Introduction

Georgia is the economic corridor to the Caucasus region. It provides vital road, rail and pipeline links to Azerbaijan and Armenia, over and through which pass most of the resources needed to sustain their peoples during their times of strife. Georgia itself has not been immune to civil disorder, facing first an Abkhazian revolt and later the South Ossetian separatist movement, both of which created large populations of internally displaced people. It is in this context that the United States has responded by providing critically needed supplies of food, medicine and other supplies to the Georgian people.

USAID Development Strategy and Accomplishments to Date

The primary concern of the U.S. program is to assist the Georgian Government deal with the humanitarian relief effort. In order to do this we have funded a host of NGO activities working on feeding, health care, and resettlement of the displaced population. In 1994 alone we provided some \$70 million in relief assistance. We also have supported a larger effort by the international community through the UN system and the Organization for Economic Cooperation and Development (OECD). As a result, other donors now are involved in providing relief to Georgia.

More moderate amounts of our assistance have been provided toward a longer term effort to help Georgia deal with its economic transition. Assistance to energy sector has now been initiated. A long term economic advisor is assisting the Government in its internal policy debates and in reestablishing good working relationships with the International Monetary Fund (IMF) and World Bank. Further, we have provided an advisor who is working directly with the private sector and setting up a business service center. Training is a key element of our program as it lays a foundation for further assistance in the future.

The U.S. Government is currently assessing its priorities for future assistance to Georgia. As conditions on the ground permit, we seek to shift from predominately humanitarian assistance to activities which help Georgia move toward economic recovery and restructuring. Even now, where possible, our humanitarian assistance is being structured so that it contributes to potential development goals. Our assistance to and training of indigenous PVOs and NGOs, through a Save The Children umbrella grant, lays the groundwork for sustaining a civil society committed to democratic reform.

Other Donors

The European Community (EC), United Nation (UN) sister agencies and several bilateral donors are actively providing humanitarian assistance. The World Food Program set up a logistics unit in Tbilisi to coordinate commodity management to and through the Caucasus. The U.S., Turkish and Canadian Governments provide large quantities of wheat to help deal with food shortages. The World Bank has just signed an Institution Building Project for Georgia which will foster financial sector reforms, design a strategy for restructuring Georgia's economic management agencies, and accelerate the implementation of privatization and enterprise reform.

FY 1995 Program

The focus of the \$25 million program in FY 1995 will remain humanitarian assistance and related relief of the energy crisis. Assistance in other areas, such as democratic reform, economic restructuring and private sector development will be expanded over previous efforts. However, we will continue to look to the IMF to take the lead in macroeconomic reform and the World Bank to lend resources for the economic restructuring.

USAID Regional Representative: Suzanne Olds

PROJECT TITLE Special Initiatives		PROJECT NUMBER 110-001 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)			
FY 1995 14,000		LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998	

Purpose: To respond to humanitarian needs of the most vulnerable groups, including mothers, children and Abkhazian refugees, and to provide related assistance in response to the energy crisis.

Project Description: In prior years, the project provided food and medical support (supplies and training of staff) oriented to maternal and child health programs. Also, it provided humanitarian relief to displaced persons from Abkhazia in the form of food, sanitation, and winterization material. Finally, it provides support to a World Food Program-managed logistics unit which coordinates deliveries of humanitarian relief goods and works to improve port and rail operations.

During FY 1995, the project will: work through PVOs and international organizations to provide medical and food relief to small children and displaced persons (the population segments considered most vulnerable); support the U.S. Centers for Disease Control (CDC) epidemiological and nutritional surveillance activities in order to facilitate the targeting of assistance; procure pharmaceuticals and medical supplies in support of health response projects; train health staffs in pharmaceutical management and the appropriate and internationally acceptable therapies to treat women during pregnancy, labor and delivery, and the post partum period; and, pending the return of displaced persons from Abkhazia and Ossetia, humanitarian relief and rehabilitation assistance will be provided. Logistics support is planned through regional programs. USAID food assistance is targeted at the most vulnerable groups in the population. The wider context for USAID food aid is set by the inputs of other donors and especially USDA.

Sustainability: Transportation system improvements are considered essential to resumption of normal economic life. U.S. assistance in this area helps to lay the foundation for both effective relief and longer term growth. The reintegration of returnees into society will bring the stability needed for a durable peace and an environment conducive to economic and political reforms.

Relationship to USAID Strategy: The U.S. Government's main assistance priority will be to reach the most vulnerable population groups of Georgia with enough food to prevent loss of life.

Host Country and Other Donors: United States relief aid to Georgia is coordinated with the Humanitarian Assistance Commission and the Ministry of Health of the Government of Georgia. It is also closely coordinated with United Nations agencies' efforts. The United States, as the principal bilateral relief donor and contributor to U.N. and international organizations' consolidated appeals for Georgia, has been instrumental in meaningfully engaging the U.N. in the country and in soliciting humanitarian contributions from other donors.

Beneficiaries: Approximately 70,000 displaced persons and 75,000 mothers/children receiving medical attention.

Major Outputs: More timely transportation of humanitarian assistance because of improvements to the rail system and ports; better trained medical staff for maternal/child health care; better diets and sanitary conditions for displaced persons.

USAID-Financed Inputs:
(Humanitarian Assistance)

Life of Project (Est. by Percentage)

Technical Assistance	3%
Training	1%
Commodities	66%
Grants	30%

PROJECT TITLE Energy Efficiency and Market Reform		PROJECT NUMBER 110-002 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)		
FY 1995 6,000	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To respond to emergency energy shortages, while addressing longer term institutional reform issues (restructuring, privatization, distribution).

Project Description: In FY 1994, the project provided technical support in energy efficiency, coal assessment and regulatory/institutional studies. Work was begun on preparing the EBRD power sector rehabilitation loan.

During FY 1995, the project will focus on:

- An energy conservation campaign, using news media to stress the need to conserve energy.
- Continue the efficiency audit program on commercial, industrial and residential units, with emphasis on installing boiler controls and metering equipment.
- Establish a partnership between the Georgian electric utility and an American utility.
- Continuation of technical assistance associated with the preparation of the EBRD sector loan.
- Provision of spare parts to rehabilitate and maintain power plants and electric transmission systems, as well as a coal mine.

Sustainability: Georgia lacks the capability to track financial data, particularly accounts receivable, for its power system. A prime objective is to install accounting systems as a foundation for long term viability of the restructured system under market conditions.

Relationship to USAID Strategy: Energy has been identified as the most important sector for U.S. assistance after humanitarian needs are met.

Host Country and Other Donors: We are beginning to build a working relationship with the appropriate entities of the Government of Georgia, for the purpose of coordinating provision of assistance to the sector. USAID coordinates closely with major donors, in particular the World Bank, European Union donors, and the EBRD. USAID is supporting the preparation of the EBRD Power Sector Rehabilitation Loan, covering the Rioni and Inguri hydroelectric plants, the Tbilisi thermal plant, and the power dispatching system.

Beneficiaries: Leadership and staff of Georgian energy sector institutions participating in partnership and training programs are direct beneficiaries. The population at large will benefit from more reliable supplies in the context of energy shortages caused by civil unrest and economic breakdown.

Major Outputs: An energy efficient investment program, including weatherization, efficiency audits, boiler controls, and district heating system optimization; contracting and tendering of \$30 million EBRD Power Sector Rehabilitation loan; establishment of a utility partnership; increased domestic coal production through rehabilitation based on U.S.-supplied equipment.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	40%
Training	10%
Commodities	30%
Grants	20%

PROJECT TITLE Health Care Improvement		PROJECT NUMBER 110-004 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)			
FY 1995 1,000		LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1998	ESTIMATED PROJECT COMPLETION FY 1999	

Purpose: To provide a bridge from short-term, emergency health care to longer-term improvements in service delivery; to strengthen health information and response capabilities; and, to continue medical technology transfer through U.S./Georgia institutional partnerships.

Project Description: Activities to date include training health care officials and providers abroad and establishing medical partnerships between Atlanta hospitals and counterpart institutions in Tbilisi.

The Medical Partnership Program will continue in FY 1995 and will focus on upgrading clinical skills and practices and developing management capabilities at all levels of service provision.

Sustainability: The emphasis of these activities is to find long lasting, socially and financially viable solutions to Georgia's health care and service delivery problems. Every attempt is being made to look for less costly, more efficient methods to obtain the high degree of health coverage that existed prior to the break up of the former Soviet Union

Relationship to USAID Strategy: The activities of this project are directly related to the third strategic objective of the U.S., namely to strengthen the capacity to manage the human dimension of the transition to democracy and a market economy, and to help sustain the neediest sectors of the population during the transition period.

Host Country and Other Donors: Georgian national and local government officials are cooperating with medical partnerships.

Beneficiaries: The immediate beneficiaries of this project are the health care providers who participate and their clients. The entire at-risk populations in Georgia will also benefit from quality improvements in the health care delivery system.

Major Outputs: Improved management and care delivery through the Medical Partnerships.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	65%
Training	15%
Commodities	10%
Grant	5%
Transfers 632(a) & (b)	5%

PROJECT TITLE Private Sector Initiatives		PROJECT NUMBER 110-005 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)		
FY 1995 500	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To create a business environment that is transparent, fair and predicable and that results in foreign and domestic investment.

Project Description: Activities in Georgia will focus on small business development. A fact finding team has been in Georgia and as a result of its recommendations, a long-term business development specialist was assigned to the capital, Tbilisi. This specialist is building business support associations and commercial trade data links with the West, and arranging for the provision of technical assistance and business training. In addition, the International Executive Service Corp (IESC) has focused on providing volunteers to work in small and medium sized enterprises to help them overcome technical, operational and managerial problems. The provision of private business volunteers will be continued with FY 1995 funding.

Sustainability: The project aims to develop financially sound and technically capable small enterprises and institutions that support private enterprise, such as training institutions and associations, through the provision of technical assistance and training. The technical assistance and training focuses on the importance of generating revenue by responding to the needs and requirements of the workplace, thereby increasing the long-term viability of the organizations.

Relationship to USAID Strategy: The project directly supports the first objective of U.S. assistance to Georgia, which is to foster the emergence of a market-oriented economy in which the majority of economic resources are privately owned.

Host Country and Other Donors: The IMF is working with the Government to address the overall macroeconomic policy environment as it affects investment, trade and access to foreign exchange for raw materials. The World Bank is considering providing loans in the sector to foster a better business environment and greater productive capacity in the industrial sector.

Beneficiaries: The managers and employees of the assisted small and medium sized enterprises and private sector support organizations will directly benefit from this project assistance. The consumer will ultimately benefit from a more efficient and stronger private sector.

Major Outputs: Improved production, management and operations systems in small and medium enterprise through technical provided by private volunteers; a Business Service Center, a credit fund to finance micro and small business enterprises as well as several private sector business associations, will be established through the assistance of the business advisor office.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	55%
Training	5%
Commodities	38%
Grants	2%

PROJECT TITLE Democratic Pluralism Initiatives		PROJECT NUMBER 110-007 [X]GRANT []LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)		
FY 1995 700	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To support Georgia's transition to democracy through development of the rule of law, independent media and electoral and political processes.

Project Description: Activities to date have included legal assistance and electoral support at the national level and the development of indigenous non-governmental institutions through partnerships with U.S. NGO/PVOs.

Democratic pluralism activities planned in Georgia for FY 95 are as follows:

- The Rule of Law consortium will develop judicial training programs; provide general legal assistance including the drafting of laws related to commercial law and crime and corruption and the new constitution; and develop laws for human rights protection.
- Under Political Process development, USAID grantees will provide technical assistance to train political parties and civic groups in coalition building and organizational skills.
- Media activities will focus on strengthening independent television stations through technical assistance and training.

Sustainability: The program is designed to ensure that by the end of USAID's support, indigenous personnel can maintain targeted institutions and, to the maximum extent possible, these institutions are financially sustainable.

Relationship to USAID Strategy: Support for Georgia's democratization is one of the U.S. Government's highest priorities.

Host Country and Other Donors: There is little other donor activity supporting democratic pluralism in Georgia.

Beneficiaries: Direct beneficiaries are trained judicial and election officials. All Georgians will ultimately benefit from a more informed, democratic, pluralistic and civil society.

Major Outputs: More efficient and informed judicial and election processes, strengthened legal and judicial infrastructure, improved criminal justice reform; independent media groups better trained and more financially viable; and strengthened democratic political parties.

USAID-Financed Inputs:	Life of Project (Est. by Percentage)
Technical assistance	30%
Training	30%
Commodities	20%
Subgrants	13%
Transfers 632(a) & (b)	7%

PROJECT TITLE Economic Restructuring and Financial Reform		PROJECT NUMBER 110-009 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)		
FY 1995 1,000	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1997

Purpose: To help institute fiscal and monetary reform at the legislative, regulatory, and operational level consistent with Georgia's commitment to establish a market-oriented economy founded on democratic principles.

Project Description: Civil war and insurrection delayed economic restructuring activities in Georgia until the end of FY 1993. In FY 1994, USAID placed a senior macroeconomic advisor in the office of the Cabinet of Ministers, and he was quickly absorbed into the economic policy analysis and decision-making process. Key contributions by this advisor to negotiations with the IMF and World Bank have caused the government to seek further assistance from USAID in the area of economic policy reform.

During FY 1995, the project will focus on the following actions: Provision of an American policy advisor to work with the Deputy Prime Minister of Georgia, who is charged with overall coordination of the transition to a market economy; training of Central Bank and commercial bank staff; and, establishment of an institution in Georgia similar to the Center for Economic Policy and Research (CEPRA) in Armenia.

Sustainability: Institutional development is central to this project; a primary intent is develop policy-making and analytical capacities in the field of fiscal and monetary policy which will undergird the long term transformation of Georgia's economy. Full advisory assistance is given to Georgian counterparts.

Relationship to USAID Strategy: This project addresses a basic objective of U.S. assistance to Georgia, which is to foster the emergence of a competitive market-oriented economy. The first step is to originate and implement economic policy which supports restructuring of the economy on the basis of market principles. The creation of an economic policy capability is central to this objective.

Host Country and Other Donors: Program activities under this project are closely coordinated with the International Monetary Fund. The program is coordinated with Georgian government authorities, including the Vice President, Central Bank and economic ministries.

Beneficiaries: The population at large are the main beneficiaries of this project, in terms of its effort to help the government control inflation and set policies which will speed the restructuring process which will open greater opportunities for all citizens in the context of economic security. Participating Georgian government and educational institutions are the direct beneficiaries of U.S. assistance.

Major Outputs: Establishment of Georgia's first center for economic policy research and analysis; 80 bankers trained in modern commercial banking concepts; improved negotiations with international lenders.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	64%
Training	15%
Commodities	2%
Grants	7%
Transfers 632(a) & (b)	12%

PROJECT TITLE Eurasia Foundation		PROJECT NUMBER 110-010 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)		
FY 1995* * Funding under NIS Regional	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1993	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To support economic reform, governmental reform and the nonprofit sector, and media and communications activities through an independent grant-making institution.

Project Description: The Foundation has awarded grants for activities in all of the New Independent States of the former Soviet Union (NIS). The grant activities in Georgia include: management training seminars in Tbilisi and internships in California arranged through the International Foreign Policy Association in collaboration with the Tbilisi Business School, UC at Davis, Stanford and the Georgian Ministry of Agriculture and Food Industry; the creation of public access electronic mail stations for individual scholars and non-commercial civic groups by the International Research and Exchanges Board; Columbia University Libraries provided textbooks on management, economics, and other social sciences; East-West TV is documenting the experience of NIS participants in American exchanges; and, participation in other multi-countries grant programs.

The Foundation will continue to award grants to U.S. and indigenous non-profit organizations such as sister cities programs, cooperating U.S. and NIS universities, technical institutes or hospitals, and traditional NGOs in need of strengthening. A new program in the for-profit sector will make recoverable grants or small loans, called Program Related Investments (PRIs). PRIs must be to organizations that fit within the Foundation's original purposes and be targeted at for-profit institution. This could include support to indigenous publishers who desire to translate and publish important U.S. textbooks in economics, management or public administration.

Sustainability: It is estimated that for every dollar provided by the Foundation, two dollars is leveraged from the assisted entity. This demonstrated the commitment of the participating party or parties. Grants are only given to augment planned activities which show a high degree of existing involvement from NIS counterparts. Training in financial management and business planning are key elements to much of the Foundation's work to address the sustainability of supported activities.

Relationship to USAID Strategy: These grants are helping achieve each of the three U.S. assistance objectives in the New Independent States of the former Soviet Union by supporting activities to create a more competitive, market oriented economy, to provide more transparent and accountable governance through empowered citizens, and to redefine public and private sector roles in the management of social services. The grants also provide small-scale assistance - a need not otherwise met by USAID.

Host Country and Other Donors: Each assisted entity utilizes its own resources, staff time and facilities as part of its contribution. The Foundation works with other U.S. groups to augment their efforts in modest ways. There is some assistance from the Georgian Government.

Beneficiaries: The immediate beneficiaries are the grantees and the people they serve. However, a stronger private sector, a more open and efficient public administration, and a better, freer press and media will benefit all citizens of the NIS.

Major Outputs: Improved capacity of local institutions to develop and administer programs; improved access to literature for institutions of higher education; improved access to seed funds for local institutions.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Commodities	15%
Grants	85%

PROJECT TITLE NIS Exchanges and Training		PROJECT NUMBER 110-012 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)		
FY 1995 500	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1993	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: This project funds U.S.-based exchanges and training (short- and long-term) to: 1) equip a broad base of current and future Georgian leaders and professionals with specialized skills, practical experiences and new attitudes needed to develop and support market-oriented economic systems and democratic governance; and 2) build sustainable U.S.-Georgia personal contacts and institutional linkages to facilitate trade, investment, technology transfer and cooperation on global issues of mutual concern.

Project Description: In support of Georgia's transition towards participatory democracy and a market economy, highly specialized training which complements and reinforces on-going technical assistance efforts is provided to reformers and emerging private sector leaders and professionals attempting to implement structural change. To the extent possible, U.S.-sponsored training programs are combined with one on one experience with U.S. practitioners or internships in U.S. public and private sector organizations and provide exposure to U.S. community-based activities, including the operations of federal, state and local governments and non-governmental organizations and cultural institutions. In-country programs provide training support to on-going sector assistance activities. Priority training areas for Georgia focus on privatization, health, agribusiness finance and market development.

Sustainability: The nature of training suggests that the knowledge and skills gained will endure well beyond the length of training, allowing the recipient to draw upon newly-acquired skills for decision-making or problem solving purposes in response to immediate priority needs and long-term requirements. To this end, the aim of our training program is to create durable linkages between participants and individuals and/or institutions encountered during the time spent in the U.S. Maintaining linkages will reinforce the knowledge gained and new ways of thinking acquired through the training experience.

Relationship to USAID Strategy: Training has been a central theme in USAID's NIS Program since its inception. The sharing of U.S. experience and the provision of training in democratic principles and the management of a market economy are key elements of USAID's strategy for Georgia. This Project focusses on key sector issues which are also being addressed by our technical assistance programs in other projects.

Host Country and Other Donors: Host country contributions will be programmed as required. Project assistance will be coordinated with other donors as appropriate. USAID will also seek contributions from U.S. educational institutions to the maximum extent possible.

Beneficiaries: The direct beneficiaries of the project include the individuals and universities/training institutions receiving training opportunities. Indirect beneficiaries include citizens of Georgia who will enjoy the benefits of sustained institutional change.

Major Outputs: Approximately 140 Georgians will be the recipients of U.S.-sponsored technical training while 176 will participate in separate USIA exchange opportunities.

USAID-Financed Inputs

Life of Project (Est. by Percentage)

Training

100%

KAZAKHSTAN

NATIONAL INCOME AND EXPENDITURES

Per Capita GNP in U.S.\$ (1992) 1,680

Government Budgetary Expenditures as % of GDP by Economic Type (1991)

Total Expend. 40.5% Current Expend. NA Capital Expend. NA

General Government Budget Balance in % of GDP (1992) -7.3%

INTERNATIONAL RESERVES AND EXTERNAL DEBT

Official International Reserves (\$ Millions, US) NA

External Public Debt as % of GDP () NA

Service Payments on External Debt ():

As % of Total Export Earnings NA

POPULATION

Total Population (Thousands, 1991) 16,721

Population Growth Rate:

(1985-90) 1.1% (1990-91) 0.6%

Population (1990) By Age Group:

(0-14 yrs) 31.9% (15-64 yrs) 61.7% (65+ yrs) 6.4%

Total Fertility Rate (1985) 3.0 (1990) 2.8

HOUSEHOLD INCOME AND EMPLOYMENT

Income Share by Source as % of Total Household Income (1992)

Labor 73.3% Transfers 26.7%

Labor Force Participation Rate (1989)

Total NA Male NA Female NA

Proportion of Labor Force by Sector of Employment (1992)

Agriculture 23.0% Industry 32.0% Services 45.0%

EXTERNAL TRADE

Current Account Balance (\$ Millions, US) (1992) -2,080

Total Imports (\$ Millions, US) (1992) 9,040

Of Which % From U.S. (1992) NA

Major Imports (1992): MACHINERY & PARTS, INDUSTRIAL MATERIALS

Total Exports (\$ Millions, US) (1992) 7,370

Of Which % to U.S. (1992) NA

Major Exports (1992): OIL, METALS, CHEMICALS, GRAIN, WOOL, MEAT

Trading Partners: NIS, CHINA

AGRICULTURE

Agricultural Production as % of GDP (1991) NA

Shares of Gross Agricultural Production by Form of Ownership (1992)

Collective NA State NA Private Plot NA Private Farm NA

HEALTH

Life Expectancy at Birth, in Years (1991) 68.7

Infant Deaths in First Yr of Life per 1000 Live Births (1990) 25.0

Percent of Children 12-23 Months Old Fully Immunized Against

Tuberculosis(BCG) 90.0% (1992) Measles 90.0% (1992)

Diphtheria(DPT3) 81.0% (1992) Polio(3) 87.0% (1992)

EDUCATION AND LITERACY

Total School Enrollment as Ratio of Population in Age Group (1990-91):

General Education Total 67% Female NA

Literacy Rate (1970) Male 100% Female 100%

KAZAKHSTAN

PROGRAM OBLIGATION SUMMARY (in thousands of dollars)			
CATEGORY	FY 1993 (ACTUAL)	FY 1994 (ESTIMATED)	FY 1995 (PLANNED)
All accounts	\$26,393	\$139,415	\$38,800
TOTALS			

PERSONNEL DATA - MISSION DIRECT HIRE			
CATEGORY	FY 1993 (ACTUAL)	FY 1994 (ESTIMATED)	FY 1995 (PLANNED)
U.S. National	8	12	14
Foreign National		1	2
TOTALS	8	13	16

Participant Training Data: Kazakhstan			
Participant Category	FY 1993 Actual	FY 1994 Estimated	FY 1995 Planned
US NET Project	13	200	95
USIA Exchanges	710	300	217
Other US Training	36	54	39
TOTAL	759	554	351

KAZAKHSTAN

Introduction

Kazakhstan is the world's largest (1 million square miles) landlocked country, with enormous untapped mineral wealth and great agricultural potential. It is one of four nuclear republics' resulting from the break-up of the Soviet Union, but has committed itself to complete nuclear disarmament, which is proceeding. U.S. interests in Kazakhstan relate to the country's nuclear disarmament process and its emerging status as a major world oil producer.

USAID Development Strategy and Accomplishments to Date

Kazakhstan has undertaken substantial political and economic reforms. Significant opportunities exist for effective application of technical assistance programs in a range of areas. U.S. diplomatic and economic support, and encouragement for other donors to increase their assistance programs, will continue provided Kazakhstan remains on the path of reform.

U.S. assistance to Kazakhstan supports the principal objectives common to the New Independent States. As a Central Asian republic, Kazakhstan shares a common legacy of under funded and inadequate health services resulting in relatively high infant and maternal mortality. Accordingly, health care financing, maternal/child health and immunization are being addressed. The special problems related to Aral Sea desiccation, a result of Soviet-era agricultural development patterns, are addressed through a potable water and a regional water management program.

Programs in privatization and banker training are well established and are showing results. One example is the effective dismantling of the largest trucking monopoly in the country, with about 5,000 trucks. Twenty per cent of the trucks have been auctioned and 11 of 32 operating divisions have been privatized.

Other Donors

Kazakhstan has negotiated a Stand-by Adjustment Agreement with the International Monetary Fund. Donor assistance is coordinated through a World Bank-led Consultative Group; two meetings have been held to date. In addition to bilateral assistance, the United States contributes to a multilateral effort coordinated by the World Bank to address the problems of the Aral Sea basin. The United States has signed cooperative agreements covering all five Central Asian republics with Israel to foster the development of agribusiness. A \$7 million program of joint cooperation between the U.S. and Turkey provides four Central Asian countries, Kazakhstan, Uzbekistan, Turkmenistan and the Kyrgyz Republic with assistance to improve maternal and child health.

FY 1995 Program

USAID is planning a program of \$41.5 million of FREEDOM Support Act funds for on-going projects. No new projects are planned. Funding for market reforms will be over \$20 million, with another \$6 million planned to support democratic reform objectives. Reproductive health care services, including family planning, will be strengthened and expanded.

Regional Mission Director: Craig Buck

PROJECT TITLE Energy Efficiency and Market Reform		PROJECT NUMBER 110-002 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)		
FY 1995 3,000	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To improve the energy efficiency and environmental performance of Kazakh energy systems.

Project Description: In prior years, the project performed energy pricing and taxation analyses for Kazakh government and World Bank use; the district heating demonstration program in the capital city of Almaty gave tangible evidence of energy and cost savings which are possible through efficiency upgrading; coal miner health and safety activities introduced new safety equipment and practices; and the work on the Shymkent petroleum refinery is the basis for a \$120 million efficiency improvement program.

In FY 1995, the project will consist of these principal activities:

- Development of least-cost investment program for the electric system, to address power shortages in southern Kazakhstan.
- Energy policy reforms: increasing private sector involvement, prices rationalization and establishment of legal/regulatory framework for the power sector.
- Promotion of private investment in the energy sector, with emphasis on improved energy efficiency in industry and buildings.
- Transfer of improved energy management techniques through training and utility partnership programs.
- Reduction of environmental and occupational health risks from air and water pollution, by introducing new technology for pollution control in coal mines, power plants and district heating sites.

Sustainability: Training and utility partnerships are designed to foster awareness of cost issues and technological options, in part to influence investment decisions toward efficiency and pollution reduction. The least-cost analysis of Kazakh power system design options will stress long term benefits from environmentally sensitive planning. Pricing reforms will help sustain and promote efficiency and conservation choices.

Relationship to USAID Strategy: The assistance strategy for Central Asia emphasizes policy reform in key economic sectors. In the energy sector, activities will be focused on institutional and pricing reform, and efficient energy use.

Host Country and Other Donors: Primary host country relationships are with the Ministry of Finance and Economy, and the Ministry of Fuel and Energy, as well as key sectoral institutions, such as the electric utility. USAID project activities are coordinated with World Bank, EBRD, and European Union projects involving policy, hydroelectric, coal, natural gas, and district heating.

Beneficiaries: Direct beneficiaries are populations living in close proximity to power plants and coal miners, as well as the staff of key participating Kazakh energy sector institutions. Reduced levels of environmental pollution benefit inhabitants of major urban and industrial centers.

Major Outputs: Improved energy efficiency in power generation, industrial and building energy consumption; a reliable and transparent system for accurate cost accounting in the utility sector introduced; new investments in electric power capacity in accordance with least-cost planning concepts; coal mining technology adopted for greater safety and efficiency (demethanization, dust reduction).

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	80%
Training	5%
Commodities	5%
Grants	10%

PROJECT TITLE Environment Policy and Technology		PROJECT NUMBER 110-003 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)		
FY 1995 4,000	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1993	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To alleviate human health risks associated with the lack of potable water in the Aral Sea basin, and to foster regional cooperation on water management issues. To reduce environmental threats to health from industrial and municipal sources.

Project Description: In October 1993, the U.S. Government announced \$15 million in assistance to the countries of Central Asia as the first part of a longer term effort to help alleviate environmental conditions and foster regional cooperation in the Aral Sea basin. Project design teams travelled to the region to identify specific interventions. Kazakh officials participated in the April 1994 Water Management study tour of western U.S. water control systems. Work has begun on a potable water improvement project.

In FY 1995, the project will focus on: Continuation of the Aralsk-Kazalinsk potable water project; a health education program will be implemented through local health/sanitation organizations; Regional water management to improve the institutional capacity to manage water sources on a sustainable, more market-oriented basis; environment policy analysis focused on water pricing, environmental implications of industrial and water policy; an industrial waste minimization and a municipal pollution control project; expansion of the NGO strengthening program to include U.S.-Kazakhstan NGO partnerships; fostering of U.S.-Kazakhstan industrial partnerships; and, improved health practices/monitoring.

Sustainability: In the potable water program, primary emphasis is on training local operators and managers to maintain equipment and on introduction of improved sanitary practices. The regional water management activity is aimed at system-wide sustainability through policy regarding resource costing, allocation, and conservation. The pollution control project will look at low cost/no cost solutions to identified pollution problems.

Relationship to USAID Strategy: The United States is participating in a major international effort aimed at alleviating human suffering caused by the ecological disaster from Soviet agricultural and water management practices in the Aral Sea region. The U.S. assistance strategy emphasizes public and environmental health, potable water, regional water management, environment audits and industrial partnerships.

Host Country and Other Donors: The potable water program is coordinated at the national and local level on the basis of a Memorandum of Understanding, with local labor as the principal host country contribution. The United States has pledged a minimum of \$7 million in FY 1995 funds for the first phase of the \$220 million World Bank-facilitated long term Central Asia Region program for the Aral Sea.

Beneficiaries: The potable water program in Aralsk-Kazalinsk will provide 200,000 people with access to clean water. Kazakh water management organizations will also benefit from their participation in the regional water management activities. Industrial audits and pollution control activities will benefit inhabitants living near polluting plants.

Major Outputs: Portions of 200 kilometers water distribution systems and five pumping stations upgraded; risk assessment of a major urban industrial complex, preparation of an action plan, and mitigation actions taken; identification of major policy constraints to water management, increased access to potable water; increased public and NGO participation environment policy formation; IFI loan on water sector policy reform; increased number of district irrigation management associations; establishment of toxic chemicals information management system; environmental health awareness campaign conducted.

USAID-Financed Inputs:**Life of Project (Est. by Percentage)**

Technical Assistance	55%
Training	14%
Commodities	20%
Grants	8%
Transfers 632(a) & (b)	3%

PROJECT TITLE Health Care Improvement		PROJECT NUMBER 110-004 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)			
FY 1995 3,000		LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1998	ESTIMATED PROJECT COMPLETION FY 1999	

Purpose: To support health care financing and service delivery reform; to strengthen disease control programs; to reduce high infant and maternal mortality; and, to improve health information and response capabilities.

Project Description: Activities to date include the formation of a medical partnership between U.S. health care providers and counterpart institutions in Almaty; the provision of technical assistance and training related to environmental health; and, the initiation of both the Reproductive Health Services Expansion and the Health Care Financing and Service Delivery Reform Programs.

In FY 1995, the Medical Partnership Program will work to upgrade clinical skills and practices and develop management capabilities at all levels of service provision. Health care financing and service delivery reform activities will introduce market-oriented reforms to improve the financing, quality, efficiency and sustainability of health care. Rapid response capabilities in support of reform to include needs assessments, training curriculum development, a competitive small grants program to test innovative pilot activities and establish one intensive demonstration site that will assist local and national health officials redefine finance and service delivery roles. Reproductive health care activities (including family planning) include activities aimed at public awareness, strengthening institutional capacity to plan and deliver family health services, expanding the supply, mix and sources of contraceptives, training health care trainers and service providers and educating users. The U.S. will assist in the negotiation of an MOU concerning the registration and approval of FDA-approved vaccines and pharmaceuticals. The Ministry of Health's capacity to plan, implement, and monitor immunization and disease control programs to promote vaccine self-reliance will be strengthened. Through the provision of long-term advisors and training, communicable disease surveillance and monitoring capabilities will be strengthened. Environmental health assistance, training, and program support will be provided.

Sustainability: The emphasis of these activities is to find long lasting, socially and financially viable solutions to Kazakhstan's health care and service delivery problems. Every attempt is being made to look for less costly, more efficient methods to obtain the high degree of health coverage that existed prior to the break up of the former Soviet Union.

Relationship to USAID Strategy: The activities of this project are directly related to the third strategic objective of the U.S., namely to strengthen the capacity to manage the human dimension of the transition to democracy and a market economy, and to help sustain the neediest sectors of the population during the transition period.

Host Country and Other Donors: Kazakhstan national and local government officials are cooperating with the health financing and service delivery, and the medical partnerships. Through the Kyoto Declaration, WHO, UNICEF, Japan, the EU, Canada, and other major donors have developed a coordinating mechanism for disease control. Japan is providing large quantities of vaccines through UNICEF. Turkey has joined the U.S. in a joint program for the Central Asian Republics.

Beneficiaries: The immediate beneficiaries of this project are the health care providers who participate and their clients. The entire at-risk populations in Kazakhstan will also benefit from a more efficient, cost effective health care delivery system.

Major Outputs: Improved efficiency and quality of services, leading to sustainability, through health care reform activities; improved management and care delivery through the medical partnership; reduction in maternal mortality and fertility rates through improved reproductive health care; strengthened capacity for immunization, disease control and surveillance practices.

USAID-Financed Inputs:**Life of Project (Est. by Percentage)**

Technical Assistance	65%
Training	15%
Commodities	10%
Grants	5%
Transfers 632(a) & (b)	5%

PROJECT TITLE Private Sector Initiatives		PROJECT NUMBER 110-005 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)		
FY 1995 15,000	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To create a business environment that is transparent, fair and predictable, and results in foreign/domestic investment.

Project Description: In prior years, the project supported pilot public education efforts and World Bank-managed pilots to initiate small scale auctions and transport privatization. During FY 1995, the project will address these principal actions: 1) on the assumption that the Government of Kazakhstan commits to the necessary reform policy, a program of mass privatization of large and medium-scale enterprises will be implemented; 2) the on-going effort to privatize small-scale enterprises will be phased out during the year and turned over to the government; 3) a pilot program in land privatization will be initiated; 4) Capital markets development will be expanded; and, 5) a public education program focussing on national issues, will operate from Almaty. Separately, a new multi-year, small and micro enterprise activity called Business Assistance and Support in Central Asia, BASIC, will be initiated in FY 1995. This activity will assist the development of microenterprises and small businesses through the provision of credit and technical assistance and provide U.S. training to business and government leaders concerning private sector development and business skills.

Sustainability: The project will assist with the legal and regulatory processes which complement the major privatization actions, to ensure that enterprises, once privatized, can be viable in an enabling system. SEC-like capital markets enforcement mechanisms will be fostered to back up laws and regulations governing share marketing and transfer. A balance between private and public management will be sought, by emphasizing self-regulation on the U.S. model. A capital market clearing and settlement function will be promoted, so that enterprises can raise money for retooling and expansion.

Relationship to USAID Strategy: The project directly supports the first objective of U.S. assistance to Kazakhstan, which is to foster the emergence of a market-oriented economy in which the majority of economic resources are privately owned.

Host Country and Other Donors: The project is coordinated with the State Property Fund and Ministry of Finance. The Stock Exchange and Bankers' Association are consulted as important emerging private institutions. The mass privatization program is also supported by the European Union donor countries. The World Bank, the primary multilateral donor involved in privatization, conducts a parallel privatization program. The World Bank supports legal/regulatory reform and helps small-scale enterprise. USAID is the primary donor to the privatization effort.

Beneficiaries: Primary direct beneficiaries will be shareholders, who will own the bulk of Kazakhstan's large and medium scale industry, and small and micro enterprises. Participants in private sector economic activities, and the population at large, benefit from better quality, more widely available goods and services.

Major Outputs: About 3,000 small-scale enterprises privatized; some 2,000 large and medium-scale enterprises privatized, if mass privatization goes forward; capital market infrastructure, with initial establishment of SEC-like regulatory body and depository organizations for the Stock Exchange; micro enterprise loans stimulating the formation of new business activities.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	55%
Training	5%
Commodities	38%
Grants	2%

PROJECT TITLE Democratic Pluralism Initiatives		PROJECT NUMBER 110-007 [X]GRANT []LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)		
FY 1995 4,000	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To support Kazakhstan's democratic transition through development of the rule of law, independent media, electoral and political processes, civil society and enhanced public administration, particularly at the local level.

Project Description: Activities to date have included: electoral support at the national and local levels; political party development; technical assistance, training and commodity support for the Central Election Commission; legal data base development; training of commercial and civil court judges; support to independent media groups; technical assistance to the city of Atyrav in municipal finance and management; and development of indigenous non-governmental institutions through partnerships with U.S. NGO/PVOs.

Democratic pluralism activities planned for Kazakhstan during FY 1995 include support for political process development, the establishment of an independent and professional judiciary, an increased capacity in parliament to function effectively in relation to the executive branch, and improved public knowledge of law and democratic processes particularly through the media. Small grants to NGOs that support rule of law objectives and promote the growth of civil society are also planned.

Sustainability: The program is designed to ensure that by the end of USAID's support, indigenous personnel can maintain targeted institutions and, to the maximum extent possible, these institutions are financially sustainable.

Relationship to USAID Strategy: Support for Kazakhstan's democratization is one of U.S. Government's highest priorities.

Host Country and Other Donors: There is little other donor activity supporting democratic pluralism in Kazakhstan.

Beneficiaries: Direct beneficiaries are trained judicial and election officials, media specialists, leadership and staff of participating city governments and NGO participants. All Kazakhs will ultimately benefit from a more informed, democratic pluralistic and civil society.

Major Outputs: More efficient and informed legislative and legal processes; strengthened legal and judicial infrastructure; improved criminal justice reform; independent media groups better trained and more financially viable; strengthened political parties; NGO operations expanded and strengthened; improved management of financial practices of city governments; and improved services to city residents.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	30%
Training	30%
Commodities	20%
Subgrants	13%
Transfers 632(a) & (b)	7%

PROJECT TITLE Housing		PROJECT NUMBER 110-008 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)		
FY 1995 2,000	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To contribute to the development of a private real estate and housing market.

Project Description: In prior years, assistance was focused on implementation of the Presidential Decree promulgated to guide the housing sector through the transition to market conditions. The decree encourages competitive bidding for construction work, and privatization of maintenance and management services. The project has supported: a pilot activity for privatization of housing maintenance and management in Almaty; creation of new urban land policy, including issuance of a law on mortgage finance and revisions in the land code; a demonstration project on housing allowances in two cities, Kupshigal and Talgar, to permit the introduction of market-based rents; establishment of a land cadastre in Almaty; and, initial work on a fiscal cadastre as a framework for land taxation.

During FY 1995, the project will focus on:

- Developing policy and legal frameworks for private housing and urban real estate markets.
- Promoting land development through competitive, market-based mechanisms.
- Assisting in the privatization of the management and maintenance of housing.
- Assisting in designing and implementing construction and mortgage financing initiatives.

Sustainability: A principal concern is to build a trained cadre of officials as part of the development of new housing sector institutions. Together with the World Bank, the project plans a property appraisers course which would initially train some 120 persons and eventually be placed in a permanent training institution. Condominium housing development concepts will be used as a base for training of officials and residents. On-site training on construction and private development concepts will be arranged for construction company staff. Work in housing finance focuses on development of sustainable sources of capital. Housing allowance programs and movement to market based cost recovery will reduce unsustainable housing subsidies.

Relationship to USAID Strategy: The project addresses the first objective of U.S. assistance strategy for Kazakhstan, which is to foster the restructuring to a market-oriented economy. Under that objective, support for privatized systems for housing maintenance and financing and for private construction of new shelter are featured.

Host Country and Other Donors: The project is coordinated with the Ministry of Housing and Construction. The United States is the principal foreign donor in this sector.

Beneficiaries: Residents will benefit from more widely accessible, better quality housing. Entrepreneurs and bankers benefit from project-financed training. Lower income households will benefit from the housing allowance program.

Major Outputs: Improved policy and legal frameworks for private housing and real estate markets; introduction of land development programs through competitive, market-based mechanisms; introduction of privatized housing management and maintenance schemes; establishment of market-oriented housing finance system; establishment of professional associations for public administrations and real estate professionals.

USAID-Financed Inputs:

	Life of Project (Est. by Percentage)
Technical Assistance	38%
Training	5%
Commodities	57%*

*Includes construction and voucher costs for Russian Officer Resettlement Program (56%)

PROJECT TITLE Economic Restructuring and Financial Reform		PROJECT NUMBER 110-009 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)		
FY 1995 5,000	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To significantly improve both the economic policy environment and the capacity of Kazakh policy makers and administrators to effectively design and implement market-oriented macroeconomic and structural policy reform.

Project Description: During the FY 1993-FY 1994 period, the project provided medium-term technical support for the design of an efficient and equitable tax code; short term technical assistance designed to improve tax administration and revenue estimation capacities; and short-term training aimed at enhancing the bank supervision skills of central bank staff and building the basic banking skills of commercial bank professionals. During FY 1995, the project will focus on:

- Provision of advisory assistance in tax policy and administration, and revenue forecasting.
- Continued assistance in managing external debt and in banking supervision functions.
- Training of key staff in the Ministries of Finance and Economy, State Property Fund and the Central Bank.
- Enhancement of the recently established Kazakh Institute for Management Education Programs (KIMEP), as the national center for graduate training of commercial bankers and teaching/research in Western economics.
- Establish regional central and commercial bank training centers to provide commercial bankers with the basic skills necessary to efficiently allocate scarce financial resources and to be catalysts for economic growth;
- Provide Central Bank technicians with the skills necessary to effectively regulate commercial banking operations.

Sustainability: Institutional development is central to this project; a primary intent is develop policy-making and analytical capacities in the field of fiscal and monetary policy which will undergird the long term transformation of Kazakhstan's economy. All advisory assistance is given to Kazakh counterparts.

Relationship to USAID Strategy: This project addresses a basic objective of U.S. assistance to foster the emergence of a competitive market-oriented economy. The first step is to develop and implement economic policy which supports restructuring of the economy on the basis of market principles. The creation of an economic policy capability is central to this objective. Equally, the development of accessible and sound financial institutions must be from the ground up. U.S. policy aims to put in place appropriate Central Bank functions and appropriate relationships between the Central Bank and commercial banks.

Host Country and Other Donors: Program activities are closely coordinated with the International Monetary Fund and the European Union donor countries. Kazakh government authorities strongly support the program.

Beneficiaries: The population at large are the main beneficiaries of this project, in terms of its effort to help the government control inflation and set policies which will speed the restructuring process which will open greater opportunities for all citizens in the context of economic security. Participating Kazakh government and educational institutions are the direct beneficiaries of U.S. assistance. Further, there will be a multiplier effect on the educational system of Kazakhstan through the introduction of new economics teaching concepts by KIMEP.

Major Outputs: Central bankers (200) and commercial bankers (1,000) trained in modern bank supervision and commercial banking concepts; establishment of an effective bank supervision unit within the Central Bank; passage of modernized, non-distortive and equitable tax codes and establishment of modernized tax administration system.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	64%
Training	15%
Commodities	2%
Grants	7%
Transfers 632(a) & (b)	12%

PROJECT TITLE Eurasia Foundation		PROJECT NUMBER 110-010 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)		
FY 1995* • Funding under NIS Regional	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1993	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To support economic reform, governmental reform and the nonprofit sector, and media and communications activities through an independent grant-making institution.

Project Description: The Foundation has awarded grants for activities in all of the New Independent States of the former Soviet Union (NIS). The grant activities in Kazakhstan include: tax and investment policy development for government officials arranged by the Tax Foundation; Columbia University Libraries provided textbooks on management, economics, and other social sciences to selected institutions; East-West TV is documenting the experience of NIS participants in American exchanges; and, participation in other multi-country grant programs.

The Foundation will continue to award grants to U.S. and indigenous non-profit organizations such as sister cities programs, cooperating U.S. and NIS universities, technical institutes or hospitals, and traditional NGOs in need of strengthening. A new program in the for-profit sector will make recoverable grants or small loans, called Program Related Investments (PRIs). PRIs must be to organizations that fit within the Foundation's original purposes and be targeted at for-profit institutions. This could include support to indigenous publishers who desire to translate and publish important U.S. textbooks in economics, management or public administration.

Sustainability: It is estimated that for every dollar provided by the Foundation, two dollars is leveraged from the assisted entity. This demonstrated the commitment of the participating party or parties. Grants are only given to augment planned activities which show a high degree of existing involvement from NIS counterparts. Training in financial management and business planning are key elements to much of the Foundation's work to address the sustainability of supported activities.

Relationship to USAID Strategy: These grants are helping achieve each of the three U.S. assistance objectives in the New Independent States of the former Soviet Union by supporting activities to create a more competitive, market oriented economy, to provide more transparent and accountable governance through empowered citizens, and to redefine public and private sector roles in the management of social services. The grants also provide small-scale assistance - a need not otherwise met by USAID.

Host Country and Other Donors: Each assisted entity utilizes its own resources, staff time and facilities as part of its contribution. The Foundation works with other U.S. groups to augment their efforts in modest ways. The Kazakhstan Government is assisting the tax reform initiative. The MacArthur and Soros Foundations are involved in similar types of grant making.

Beneficiaries: The immediate beneficiaries are the grantees and the people they serve. However, a stronger private sector, a more open and efficient public administration, and a better, freer press and media will benefit all citizens of the NIS.

Major Outputs: tax and investment policies developed; economics education program established; improved capacity of business English teachers from the Kazakh National Academy of Management.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Commodities	15%
Grants	85%

PROJECT TITLE NIS Exchanges and Training		PROJECT NUMBER 110-012 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)		
FY 1995 1,250	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1993	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: This project funds U.S.-based exchanges and training (short- and long-term) to 1) equip a broad base of current and future Kazakhstan leaders and professionals with specialized skills, practical experiences and new attitudes needed to develop and support market-oriented economic systems and democratic governance; and 2) build sustainable U.S.-Kazakhstan personal contacts and institutional linkages to facilitate trade, investment, technology transfer and cooperation on global issues of mutual concern.

Project Description: In support of Kazakhstan's transition towards participatory democracy and market economics, highly specialized training which complements and reinforces on-going technical assistance efforts is provided to reformers and emerging private sector leaders and professionals attempting to implement structural change. To the extent possible, U.S.-sponsored training programs are combined with one on one experience with U.S. practitioners or internships in U.S. public and private sector organizations and provide exposure to U.S. community-based activities, including the operations of federal, state and local governments and non-governmental organizations and cultural institutions. In-country programs provide training support to on-going sector assistance activities. Priority training areas for Kazakhstan include family health, macroeconomic policy development, tax policy, NGO development, media strengthening, energy, environment, housing, urban development and private sector reform.

Sustainability: The nature of training suggests that the knowledge and skills gained will endure well beyond the length of training, allowing the recipient to draw upon newly-acquired skills for decision-making or problem solving purposes in response to immediate priority needs and long-term requirements. To this end, the aim of our training program is to create durable linkages between participants and individuals and/or institutions encountered during the time spent in the U.S. Maintaining linkages will reinforce the knowledge gained and new ways of thinking acquired through the training experience.

Relationship to USAID Strategy: Training has been a central theme in USAID's NIS Program since its inception. The sharing of U.S. experience and the provision of training in democratic principles and the management of a market economy are key elements of USAID's strategy for the NIS. This Project focusses on key sector issues which are also being addressed by our technical assistance programs in other projects.

Host Country and Other Donors: Host country contributions will be programmed as required. Project assistance will be coordinated with other donors as appropriate. USAID will also seek contributions from U.S. educational institutions to the maximum extent possible.

Beneficiaries: The direct beneficiaries of the project include the individuals and universities/training institutions receiving training opportunities. Indirect beneficiaries include citizens of Kazakhstan who will enjoy the benefits of sustained institutional change.

Major Outputs: Approximately 437 Kazakhs will be the recipients of U.S.-sponsored technical training while another 1,098 will participate in separate USIA exchange opportunities.

USAID-Financed Inputs**Life of Project (Est. by Percentage)**

Training

100%

KYRGYZ REPUBLIC

NATIONAL INCOME AND EXPENDITURES

Per Capita GNP In U.S.\$ (1992) 820

Government Budgetary Expenditures as % of GDP by Economic Type (1992)

Total Expend. 7.8% Current Expend. 7.4% Capital Expend. 0.4%

General Government Budget Balance in % of GDP (1992) -7.3%

INTERNATIONAL RESERVES AND EXTERNAL DEBT

Official International Reserves (\$ Millions, US) NA

External Public Debt as % of GDP (1993) 17.86%

Service Payments on External Debt (): NA

As % of Total Export Earnings NA

POPULATION

Total Population (Thousands, 1991) 4,390

Population Growth Rate:

(1985-90) 1.9% (1990-91) 1.3%

Population (1990) By Age Group:

(0-14 yrs) 38.2% (15-64 yrs) 56.2% (65+ yrs) 5.6%

Total Fertility Rate (1985) 4.1 (1990) 3.7

HOUSEHOLD INCOME AND EMPLOYMENT

Income Share by Source as % of Total Household Income (1992)

Labor 72.8% Transfers 27.2%

Labor Force Participation Rate (1989)

Total 41.4% Male 45.6% Female 37.4%

Proportion of Labor Force by Sector of Employment (1992)

Agriculture 35.5% Industry 26.5% Services 38.0%

EXTERNAL TRADE

Current Account Balance (\$ Millions, US) NA

Total Imports (\$ Millions, US) NA

Of Which % From U.S. () NA

Major Imports (): LUMBER, INDUSTRIAL PRODUCTS, FERROUS METALS, FUEL, MACHINERY, TEXTILES, FOOTWEAR

Total Exports (\$ Millions, US) NA

Of Which % to U.S. () NA

Major Exports (): WOOL, CHEMICALS, COTTON, METALS, SHOES, MACHINERY, TOBACCO

Trading Partners (): RUSSIA & OTHER NIS

AGRICULTURE

Agricultural Production as % of GDP (1991) 28.4%

Shares of Gross Agricultural Production by Form of Ownership (1992)

Collective 33.3% State 28.2% Private Plot 38.2% Private Farm 0.2%

HEALTH

Life Expectancy at Birth, in Years (1991) 69.0

Infant Deaths in First Yr of Life per 1000 Live Births (1990) 31.0

Percent of Children 12-23 Months Old Fully Immunized Against

Tuberculosis(BCG) 96.0% (1992) Measles 94.0% (1992)

Diphtheria(DPT3) 88.0% (1992) Polio(3) 91.0% (1992)

EDUCATION AND LITERACY

Total School Enrollment as Ratio of Population in Age Group (1990-91):

General Education Total 72% Female NA

Literacy Rate (1970) Male 100% Female 100%

KYRGYZ REPUBLIC

PROGRAM OBLIGATION SUMMARY (In thousands of dollars)			
CATEGORY	FY 1993 (ACTUAL)	FY 1994 (ESTIMATED)	FY 1995 (PLANNED)
All accounts	\$14,859	\$53,495	\$19,000
TOTALS			

PERSONNEL DATA - MISSION DIRECT HIRE			
CATEGORY	FY 1993 (ACTUAL)	FY 1994 (ESTIMATED)	FY 1995 (PLANNED)
U.S. National			1
Foreign National			
TOTALS			1

Participant Training Data: KYRGYZ REPUBLIC			
Participant Category	FY 1993 Actual	FY 1994 Estimated	FY 1995 Planned
US NET Project	9	120	39
USIA Exchanges	175	86	100
Other US Training	14	12	23
TOTAL	198	218	162

KYRGYZ REPUBLIC

Introduction

The Kyrgyz Republic has been one of the most open, progressive and democratic of the former Soviet Central Asian republics. It has adopted political and economic reform, featuring one of the most free presses in the former Soviet Union. The Republic's early leadership in reform merited, and received, a significant response from the United States and the international donor community. Small and isolated, the Kyrgyz Republic lacks the natural resources and agricultural potential of its neighbors. As of September, 1994, however, there were mixed signals from the Kyrgyz Republic's leadership on continued commitment to reform and maintaining an open political system. These developments must be carefully monitored and factored into U.S. assistance activities.

USAID Development Strategy and Accomplishments to Date

More than 90 per cent of the country is mountainous, hampering agriculture and making exploitation of existing natural resources problematic. The Republic's tremendous hydroelectric potential is stymied by the enormous cost of investments needed to develop it.

In spite of barriers, or perhaps in recognition of the depth of the problems, the country launched a comprehensive economic reform program as well as initiating open, democratic political practices. U.S. assistance to the Kyrgyz Republic supports the principal objectives common to the New Independent States. As a Central Asian republic, it shares a common legacy of inadequate and under funded health services resulting in relatively high infant and maternal mortality.

Immunization and hospital partnership programs have been successful in creating cooperative relationships with Kyrgyz health institutions. Advisors to the National Bank and the State Committee for Economics have helped shape macroeconomic and banking policies of the new government. Working closely with USAID contractors, the government is moving ahead with a mass privatization program for medium and large-scale enterprises.

Other Donors

Donor assistance is coordinated through a World Bank-led Consultative Group; two successful meetings have been held to date. Switzerland is one of the most active bilateral donors. The United States has signed cooperative agreements covering all five Central Asian republics with Israel to foster the development of agribusiness. A program of joint cooperation between the U.S. and Turkey provides four Central Asian countries, Kazakhstan, Uzbekistan, Turkmenistan and the Kyrgyz Republic with assistance to improve maternal and child health, at a level of \$7 million.

FY 1995 Program

Support for rule of law and democratic process programs will be featured. The Kyrgyz Republic's commitment to reform will continue to be supported with a comparatively larger share of our assistance resources while the pace of reform continues. USAID is planning a program \$20.5 million of FREEDOM Support Act funds for all on-going projects.

Regional Mission Director: Craig Buck

PROJECT TITLE Environment Policy and Technology		PROJECT NUMBER 110-003 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)			
FY 1995 500		LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1993	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998	

Purpose: To improve regional water management as it relates to upper watershed management issues and linkages to downstream water use.

Project Description: In October 1993, the U.S. Government announced \$15 million in assistance to the countries of Central Asia as the first part of a longer term effort to help alleviate environmental conditions and foster regional cooperation in the Aral Sea basin. Kyrgyz officials participated in the April 1994 Study Tour of western U.S. water control systems.

During FY 1995, the focus of the project will be on:

- promoting sustainable upper watershed management and empower local mountain communities and NGOs through a pilot biosphere reserve project
- providing advisory services relating to policy, legal and management framework related to regional water resource utilization and the revision of water quality standards
- assisting in the drafting of international treaties pertaining to regional water resource management.

Sustainability: Water and world class mountains for ecotourism are the principal natural resources of the Kyrgyz Republic. The efficient use of water in the regional context is a primary requirement for sustainable economic growth and environmental quality. The project aims to support the republic's participation in regional water management processes. Sustainable upper watershed management will be promoted through the establishment of an internationally recognized biosphere reserve.

Relationship to USAID Strategy: U.S. assistance strategy for the Kyrgyz Republic emphasizes the importance of facilitating regional cooperation with its neighbors, and economic restructuring. This project strongly supports these basic objectives.

Host Country and Other Donors: The project is coordinated with Kyrgyz government authorities responsible for water issues, and the Aral Sea regional water management activity. The World Bank is sponsoring a hydroelectric power development study which will have implications for Kyrgyz water use policy. The UNDP coordinates donor activities in the country.

Beneficiaries: Participating Kyrgyz water management organizations will be the initial primary beneficiaries of this project. Minority herder groups and women will benefit in and around the proposed biosphere reserve.

Major Outputs: Identification of policy options and supporting technical analyses

USAID-Financed Inputs:	Life of Project (Est. by percentage)
Technical Assistance	55%
Training	14%
Commodities	20%
Grants	8%
Transfers 632(a) & (b)	3%

PROJECT TITLE Energy Efficiency and Market Reform		PROJECT NUMBER 110-002 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)		
FY 1995 1,500	LIFE OF PROJECT FUNDING	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To foster institutional reform, leading to improved efficiency in delivery of energy services.

Project Description: In prior years, the project's district heating demonstration program gave tangible evidence of energy savings potential through efficiency upgrading; a hydropower sector study identified new sites which have attracted World Bank and EBRD attention; the utility partnership introduced Kyrgyz plant operators to U.S. private ownership and financial control concepts; and energy pricing and taxation analyses were used by the World Bank and the IMF, and have been adopted in large measure by the government.

During FY 1995, the project will focus on three principal activities:

- Regulatory and legislative reform in the energy sector.
- An effort to introduce Western-standard accounting and management practices as part of the corporatization of 'Kyrgyzenergo,' the national electric utility.
- Transfer of improved energy management techniques through training and the partnership between Kyrgyzenergo and the U.S. National Hydropower Association.

Sustainability: Partnership/training programs are intended to introduce organizational and regulatory models and pricing concepts which will lead to long term reforms in the energy sector, helping to conserve energy resources and assure sustainable use of the Kyrgyz Republic's principal potential energy resource, hydroelectricity.

Relationship to USAID Strategy: The assistance strategy for the Kyrgyz Republic states that conservation and more efficient energy use are key to broader economic restructuring efforts. With its emphasis on the hydroelectric resource and improved utility management, this project supports the strategy.

Host Country and Other Donors: USAID project activities are coordinated with the Ministry of Energy and the utility. The World Bank is the principal other donor.

Beneficiaries: Direct beneficiaries are Kyrgyz staff. Indirect beneficiaries are the nation as a whole through greater efficiency and conservation of energy resources.

Major Outputs: Agreement to establish a Public Utility Commission backed by proper legislative and regulatory framework to help guide the long term development of hydroelectricity; price reform and approved energy efficiency in industry and buildings; a reliable and transparent system for accurate cost accounting in the utility sector introduced.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	80%
Training	5%
Commodities	5%
Grants	10%

PROJECT TITLE Health Care Improvement		PROJECT NUMBER 110-004 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)			
FY 1995 2,000		LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1998	ESTIMATED PROJECT COMPLETION FY 1999	

Purpose: To support health care financing and service delivery reform; to strengthen disease control programs; to reduce high infant and maternal mortality; and to improve health information and response capabilities.

Project Description: Activities to date include the formation of a medical partnership between the University of Kansas, Medical Center and counterpart institutions in Bishkek; the provision of technical assistance and training in environmental health issues; and, the initiation of both the Reproductive Health Services Expansion Program and the Health Care Financing and Service Delivery Reform Program.

In FY 1995, the Medical Partnership Program will work to upgrade clinical skills and practices and develop management capabilities at all levels of service provision. Health care financing and service delivery reform activities will introduce market-oriented reforms to improve the financing, quality, efficiency and sustainability of health care. Rapid response capabilities to support health reform will in needs assessments, training curriculum development, a competitive small grants program to test innovative pilot activities and establish one intensive demonstration site that will assist local and national health officials redefine finance and service delivery roles. Reproductive health care activities (including family planning) include activities aimed at public awareness, strengthening institutional capacity to plan and deliver family health services, expanding the supply, mix and sources of contraceptives, training health care trainers and service providers and educating users. The Ministry of Health's capacity to plan, implement, and monitor immunization and disease control programs to promote vaccine self-reliance will be strengthened. Through the provision of long-term advisors and training, communicable disease surveillance and monitoring capabilities will be strengthened. Environmental health assistance, training, and program support will be provided.

Sustainability: The emphasis of these activities is to find long lasting, socially and financially viable solutions to the Kyrgyz Republic's health care and service delivery problems. Every attempt is being made to look for less costly, more efficient methods to obtain the high degree of health coverage that existed prior to the break up of the former Soviet Union.

Relationship to USAID Strategy: The activities of this project are directly related to the third Strategic Objective of the United States, namely to strengthen the capacity to manage the human dimension of the transition to democracy and a market economy, and to help sustain the neediest sectors of the population during the transition period.

Host Country and Other Donors: Kyrgyz Republic national and local government officials are cooperating with the health financing and service delivery, and the medical partnerships. Through the Kyoto Declaration, WHO, UNICEF, Japan, the EU, Canada, and other major donors have developed a coordinating mechanism for assistance related to vaccine procurement. Japan is providing quantities of vaccines. Turkey has joined the U.S. in a joint program for the Central Asian Republics.

Beneficiaries: The immediate beneficiaries of this project are the health care providers who participate and their clients. The entire at-risk populations in the Kyrgyz Republic will also benefit from a more efficient, cost effective health care delivery system.

Major Outputs: Improved efficiency and quality of services, leading to sustainability, through an intensive program; improved management and care delivery through the Medical Partnership; reduction in maternal mortality through improved reproductive health care; strengthened capacity for immunization, disease control, and surveillance practices.

USAID-Financed Inputs:	Life of Project (Est. by Percentage)
Technical Assistance	65%
Training	15%
Commodities	10%
Grants	5%
Transfers 632(a) & (b)	5%

PROJECT TITLE Private Sector Initiatives		PROJECT NUMBER 110-005 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)		
FY 1995 8,000	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To create a transparent, fair and predictable business environment that results in foreign and domestic investment.

Project Description: In 1993, two long-term advisors assisted in privatization program design. During 1994 a comprehensive mass privatization program was initiated with legal and regulatory constraints resolved, auction procedures developed, coupons distributed, and public education activities completed.

During FY 1995, the project will: 1) Consolidate the operation of mass privatization as a national program; 2) continue provision of advisory assistance for all aspects of capital markets; 3) expand the demonopolization of transport and wholesale trade to a national scale program; 4) a modest public education program to support mass privatization and capital markets development. Separately, a new multi-year, small and micro enterprise activity called Business Assistance and Support in Central Asia, BASIC, will be initiated in FY 1995. This activity will assist the development of microenterprises and small businesses through the provision of credit and technical assistance and provide U.S. training to business and government leaders concerning private sector development and business skills.

Sustainability: Auction management will be turned over to Kyrgyz professionals and self-financing mechanisms developed to enhance sustainability of privatization actions. The project aims to develop legal and regulatory processes which complement the major privatization actions, to ensure that enterprises, once privatized, can be viable in an enabling system. SEC-like capital market enforcement mechanisms will be fostered to back up laws and regulations governing share marketing and transfer. A balance between private and public management will be sought, by emphasizing self-regulation on the U.S. model. A capital market clearing and settlement function will be promoted, so that enterprises can raise money for retooling and expansion. Land markets will be fostered, to create long term stability in property transactions as a foundation for investment in commercial, residential and agricultural enterprises.

Relationship to USAID Strategy: The project directly supports the first objective of U.S. assistance which is to foster the emergence of a market-oriented economy with the majority of economic resources are privately owned and managed.

Host Country and Other Donors: The project is coordinated with the State Property Fund and the Ministry of Finance. The United States is the primary donor to the privatization effort, and all activities are closely coordinated with World Bank initiatives.

Beneficiaries: Primary direct beneficiaries are shareholders, who will own the bulk of Kyrgyz large and medium scale industry through their participation in auctions, and small and micro enterprises. Participants in private sector economic activities, and the population at large, benefit from better quality, more widely available goods and services.

Major Outputs: Creation of a constituency that supports market reforms and the transition to a market economy; the mass privatization program self-financing and largely operated by Kyrgyz without outside help; one Business Association formed; and micro enterprise loans stimulating the formation of new business activities.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	55%
Training	5%
Commodities	38%
Grants	2%

PROJECT TITLE Democratic Pluralism Initiatives		PROJECT NUMBER 110-007 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)		
FY 1995 1,500	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To support the Kyrgyz Republic's democratic transition through development of the rule of law, electoral and political process, civil society and enhanced public administration, particularly at the local level.

Project Description: Activities to date have included: technical assistance to the city of Karakol in municipal finance and management; and development of indigenous non-governmental institutions through partnerships with U.S. NGO/PVOs.

Democratic pluralism activities planned for Kyrgyz Republic during FY 1995 include support for establishment of an independent and professional judiciary as well as other support designed to otherwise enhance the legal framework for human rights and democratic governance. Small grants to NGOs that support rule of law objectives and the growth of civil society are also envisaged.

Sustainability: The program is designed to ensure that by the end of USAID's support, indigenous personnel can maintain targeted institutions and, to the maximum extent possible, these institutions are financially sustainable.

Relationship to USAID Strategy: Support for Kyrgyz Republic's democratization is one of the U.S. Government's highest priorities.

Host Country and Other Donors: There is little other donor activity supporting democratic pluralism in the Kyrgyz Republic.

Beneficiaries: Direct beneficiaries are trained judicial and election officials; leadership and staff of participating city governments; and NGO participants. All Kyrgyz will ultimately benefit from a more informed, democratic, pluralistic and civil society.

Major Outputs: More efficient and informed legislative and legal processes; strengthened legal and judicial infrastructure; improved management of financial practices of city governments; improved services to city residents; NGO operations expanded and strengthened; and strengthened political parties.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	30%
Training	30%
Commodities	20%
Subgrants	13%
Transfers 632(a) & (b)	7%

PROJECT TITLE Economic Restructuring and Financial Reform		PROJECT NUMBER 110-009 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)		
FY 1995 4,000	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To significantly improve both the economic policy environment in the Kyrgyz Republic and the capacity of Kyrgyz policy makers in the Central Bank, Ministry of Finance and State Economic Committee to effectively formulate and implement market-oriented macroeconomic and structural policy reform.

Project Description: During the 1993-1994 period, the project provided (1) short term technical support to the Ministry of Finance (MOF) to define with precision fiscal policy reform priorities and technical assistance requirements; (2) long-term technical assistance to the MOF to improve the tax policy environment and enhance tax administration capability; (3) long-term technical assistance to the State Economic Committee (SEC) to develop more effective macro stabilization policies; and (4) long-term technical assistance to the Central Bank to support the modernization of bank supervision practices and the introduction of modern accounting practices. During FY 1995, the project will focus:

- Provision of advisory assistance in tax policy and administration and revenue estimation to the MOF.
- Continued technical assistance to the SEC in portfolio review/management and to the Central Bank in finance, bank supervision, modern accounting standards and commercial bank restructuring.
- Training of Central Bank staff.
- Provision of advisory assistance in trade policy formulation to the MOF and the SEC.

Sustainability: Institutional development is central to this project; a primary intent is develop policy-making and analytical capacities in the field of fiscal and monetary policy which will undergird the long term transformation of the Kyrgyz Republic's economy. All advisory assistance is given to Kyrgyz counterparts. The government of the Kyrgyz Republic is strongly committed to economic reform and to the objectives of this project.

Relationship to USAID Strategy: This project directly addresses a basic objective of U.S. assistance to the Kyrgyz Republic, which is to foster the emergence of a competitive market-oriented economy. Strengthening of the banking system and tax revenue base are critical to attaining this objective.

Host Country and Other Donors: Program activities under this project are closely coordinated with the International Monetary Fund, which has a program with the Central Bank, and with the World Bank. The program is well coordinated with Kyrgyz government authorities and receives their strong support.

Beneficiaries: The population at large are the main beneficiaries as the government control inflation and set policies which will speed the restructuring process and which will open greater opportunities for all citizens in the context of economic security. Participating Kyrgyz government and banking institutions are the direct beneficiaries of U.S. assistance.

Major Outputs: Establishment of an effective bank supervision unit in the Central Bank; passage of modernized, non-distortive and equitable tax legislation; establishment of modernized tax administration system; introduction of modernized accounting infrastructure in the Central Bank; transformation of accounting infrastructure and management practices in major commercial banks.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	64%
Training	15%
Commodities	2%
Grants	7%
Transfers 632(a) & (b)	12%

PROJECT TITLE Eurasia Foundation		PROJECT NUMBER 110-010 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)			
FY 1995* • Funding under NIS Regional		LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1993	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998	

Purpose: To support economic reform, governmental reform and the nonprofit sector, and media and communications activities through an independent grant-making institution.

Project Description: The Foundation has awarded grants for activities in all of the New Independent States of the former Soviet Union (NIS). The grant activities in the Kyrgyz Republic include: Land O'Lakes arranged training in small business development support; the University of Nebraska at Lincoln is assisting the Kyrgyz State University set up a Kyrgyz-American School of Business in Bishkek; curriculum development is being supported by the Democracy Seminar Project at Kyrgyz State; the New York City Bar Association is training Kyrgyz legal officials to develop an independent bar; the Harvard Project on Economic Reform is providing internships to graduate students to work in the Ministry of Finance; Columbia University Libraries provided textbooks on management, economics, and other social sciences to selected institutions; East-West TV is documenting the experience of NIS participants in American exchanges; and, participation in other multi-countries grant programs.

The Foundation will continue to award grants to U.S. and indigenous non-profit organizations such as sister cities programs, cooperating U.S. and NIS universities, technical institutes or hospitals, and traditional NGOs in need of strengthening. A new program in the for-profit sector will make recoverable grants or small loans, called Program Related Investments (PRIs). PRIs must be to organizations that fit within the Foundation's original purposes and be targeted at for-profit institutions. This could include support to indigenous publishers who desire to translate and publish important U.S. textbooks in economics, management or public administration.

Sustainability: It is estimated that for every dollar provided by the Foundation, two dollars is leveraged from the assisted entity. This demonstrated the commitment of the participating party or parties. Grants are only given to augment planned activities which show a high degree of existing involvement from NIS counterparts. Training in financial management and business planning are key elements to much of the Foundation's work to address the sustainability of supported activities.

Relationship to USAID Strategy: These grants are helping achieve each of the three U.S. assistance objectives in the New Independent States of the former Soviet Union by supporting activities to create a more competitive, market oriented economy, to provide more transparent and accountable governance through empowered citizens, and to redefine public and private sector roles in the management of social services. The grants also provide small-scale assistance - a need not otherwise met by USAID.

Host Country and Other Donors: Each assisted entity utilizes its own resources, staff time and facilities as part of its contribution. The Foundation works with other U.S. groups to augment their efforts in modest ways. The Kyrgyz Republic Government is assisting some activities. The MacArthur and Soros Foundations are involved in similar types of grant making.

Beneficiaries: The immediate beneficiaries are the grantees and the people they serve. However, a stronger private sector, a more open and efficient public administration, and a better, freer press and media will benefit all citizens of the NIS.

Major Outputs: Improved business and management skills for Karakol small business owners; improved skills of senior bank managers.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Commodities	15%
Grants	85%

PROJECT TITLE NIS Exchanges and Training		PROJECT NUMBER 110-012 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)		
FY 1995 1,000	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1993	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: This project funds U.S.-based exchanges and training (short- and long-term) to 1) equip a broad base of current and future Kyrgyz Republic leaders and professionals with specialized skills, practical experiences and new attitudes needed to develop and support market-oriented economic systems and democratic governance; and, 2) build sustainable U.S.-Kyrgyz Republic personal contacts and institutional linkages to facilitate trade, investment, technology transfer and cooperation on global issues of mutual concern.

Project Description: In support of the Kyrgyz Republic's transition towards participatory democracy and market economics, highly specialized training which complements and reinforces on-going technical assistance efforts is provided to reformers and emerging private sector leaders and professionals attempting to implement structural change. To the extent possible, U.S.-sponsored training programs are combined with one on one experience with U.S. practitioners or internships in U.S. public and private sector organizations and provide exposure to U.S. community-based activities, including the operations of federal, state and local governments and non-governmental organizations and cultural institutions. In-country programs provide training support to on-going sector assistance activities. Priority training areas for the Kyrgyz Republic includes family health, macroeconomic policy development, tax policy, NGO development, media strengthening, energy, environment and private sector reform.

Sustainability: The nature of training suggests that the knowledge and skills gained will endure well beyond the length of training, allowing the recipient to draw upon newly-acquired skills for decision-making or problem solving purposes in response to immediate priority needs and long-term requirements. To this end, the aim of our training program is to create durable linkages between participants and individuals and/or institutions encountered during the time spent in the U.S. Maintaining linkages will reinforce the knowledge gained and new ways of thinking acquired through the training experience.

Relationship to USAID Strategy: Training has been a central theme in USAID's NIS Program since its inception. The sharing of U.S. experience and the provision of training in democratic principles and the management of a market economy are key elements of USAID's strategy for the Kyrgyz Republic. This Project focusses on key sector issues which are also being addressed by our technical assistance programs in other projects.

Host Country and Other Donors: Host country contributions will be programmed as required. Project assistance will be coordinated with other donors as appropriate. USAID will also seek contributions from U.S. educational institutions to the maximum extent possible.

Beneficiaries: The direct beneficiaries of the project include the individuals and universities/training institutions receiving training opportunities. Indirect beneficiaries include citizens of the Kyrgyz Republic who will enjoy the benefits of sustained institutional change.

Major Outputs: Approximately 169 Kyrgyz will be the recipients of U.S.-sponsored technical training while 360 will participate in separate USIA exchange opportunities.

USAID-Financed Inputs

Life of Project (Est. by Percentage)

Training	100%
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MOLDOVA

NATIONAL INCOME AND EXPENDITURES

Per Capita GNP in U.S.\$ (1992) 1,300

Government Budgetary Expenditures as % of GDP by Economic Type (1992)
Total Expend. 40.5% Current Expend. 35.5% Capital Expend. 5.1%

General Government Budget Balance in % of GDP (1992) -26.0%

INTERNATIONAL RESERVES AND EXTERNAL DEBT

Official International Reserves (\$ Millions, US) NA

External Public Debt as % of GDP (1992) 0.78%

Service Payments on External Debt (1993):
As % of Total Export Earnings 1.85%

POPULATION

Total Population (Thousands, 1991) 4,361

Population Growth Rate:
(1985-90) 0.8% (1990-91) 0.0%

Population (1990) By Age Group:
(0-14 yrs) 31.9% (15-64 yrs) 59.6% (65+ yrs) 8.5%

Total Fertility Rate (1985) 3.1 (1990) 2.7

HOUSEHOLD INCOME AND EMPLOYMENT

Income Share by Source as % of Total Household Income (1992)
Labor 83.3% Transfers 16.7%

Labor Force Participation Rate (1989)
Total 48.9% Male 52.6% Female 45.5%

Proportion of Labor Force by Sector of Employment (1992)
Agriculture 35.9% Industry 27.9% Services 36.2%

EXTERNAL TRADE

Current Account Balance (\$ Millions, US) (1992) -35

Total Imports (\$ Millions, US) (1992) 905
Of Which % From U.S. (1992) NA

Major Imports (1992): OIL, GAS, COAL, STEEL MACHINERY, FOODSTUFFS,
AUTOMOBILES, AND OTHER CONSUMER DURABLES

Total Exports (\$ Millions, US) (1992) 868
Of Which % to U.S. (1992) NA

Major Exports (1991): FOODSTUFFS, WINE, TOBACCO, TEXTILES &
FOOTWEAR, MACHINERY, CHEMICALS

Trading Partners: RUSSIA, UKRAINE, KAZAKHSTAN, UZBEKISTAN, ROMANIA

AGRICULTURE

Agricultural Production as % of GDP (1991) 31.3%

Shares of Gross Agricultural Production by Form of Ownership
Collective 56.1% State 22.3% Private Plot 21.7% Private Farm NA

HEALTH

Life Expectancy at Birth, in Years (1991) 69.2

Infant Deaths in First Yr of Life per 1000 Live Births (1990) 19.8

Percent of Children 12-23 Months Old Fully Immunized Against
Tuberculosis(BCG) 96.0% (1992) Measles 92.0 % (1992)
Diphtheria(DPT3) 84.0% (1992) Polio(3) 93.0 % (1992)

EDUCATION AND LITERACY

Total School Enrollment as Ratio of Population in Age Group (1990-91):
General Education Total 64% Female NA

Literacy Rate (1970) Male 100% Female 99%

MOLDOVA

PROGRAM OBLIGATION SUMMARY (in thousands of dollars)			
CATEGORY	FY 1993 (ACTUAL)	FY 1994 (ESTIMATED)	FY 1995 (PLANNED)
All accounts	\$11,8011	\$19,715	\$20,000
TOTALS			

PERSONNEL DATA - MISSION DIRECT HIRE			
CATEGORY	FY 1993 (ACTUAL)	FY 1994 (ESTIMATED)	FY 1995 (PLANNED)
U.S. National			1
Foreign National			
TOTALS			1

Participant Training Data: MOLDOVA			
Participant Category	FY 1993 Actual	FY 1994 Estimated	FY 1995 Planned
US NET Project	16	62	39
USIA Exchanges	174	108	101
Other US Training	14	23	18
TOTAL	204	193	158

MOLDOVA

Introduction

Moldova, an ethnically diverse country, is the second smallest of the former Soviet Union republics and has the highest population density. Due to its well educated population, high level of social development, and positive legacy of a trade-based economy of the Soviet era, Moldova is an excellent candidate for significant near terms gains in constructing a market economy and developing more democratic institutions. Agriculture and agro-processing are expected to continue as the country's leading economic sector.

USAID Development Strategy and Accomplishments to Date

Transition to a market economy has been the top priority of U.S. assistance to Moldova. Programs have focused on privatization of both rural and urban state owned enterprises, and development of the market and regulatory systems necessary for the free flow of capital. The Moldovan government has freed prices, abolished export taxes and limited the use of export licenses to a few strategic commodities. The tight fiscal policy of the Moldovan government brought inflation down and maintained a remarkable stability in the national currency. Over 70 percent of the nation's homes and apartments are now privately owned. Other assistance in the area of privatization included a test auction of shares for the first privatization of a commercial business and identification of the next 40 enterprises to be privatized.

Another top priority has been the establishment of a policy framework and institutional infrastructure necessary for a modern, competitive economic system, focusing on fiscal policy and the development of a functioning private banking system. USAID activities have focused on bank training through provision of an advisor for the start-up of a bank training institute.

In the area of democratic institution building, USAID provided assistance and monitoring support for Moldovan elections at national and local levels. USAID also provided legal assistance to the Moldovan parliament on constitutional issues through the American Bar Association.

Direct humanitarian assistance has been limited and generally targeted to leverage other donor contributions. This strategy was successfully used to leverage significant fuel contributions in 1993-1994. Emergency humanitarian assistance is also being provided in response to severe floods last September.

Other Donors

In October of 1993, donors pledged \$127 million in balance of payments support through the World Bank. This enabled Moldova to get through a difficult period and secure fuel imports for the 1993-1994 winter. The World Bank has also provided loans for infrastructure rehabilitation. Future World Bank lending will focus on energy, agriculture, financial sector reform and social service programs. Given the small size of Moldova and the limited number of key sectors in the economy, donor coordination is a high priority for the Moldovan government. The World Bank is taking the lead in this effort.

FY 1995 Program

USAID will continue to focus on privatization and capital market development under the market reform strategic objective. We expect the demand for fiscal policy reform assistance to peak in FY 95. Ensuring the development of a pluralistic society will require ongoing reform to many aspects of the political and judicial system. Humanitarian assistance will continue to be targeted to leverage contributions from other donors. The planned FY 95 USAID program for Moldova is \$22.2 million.

Regional Mission Director: Terrence McMahon

PROJECT TITLE Energy Efficiency and Market Reform		PROJECT NUMBER 110-002 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)			
FY 1995 1,000		LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998	

Purpose: To support the restructuring of the natural gas transmission and distribution system; and to introduce improved energy efficiency.

Project Description: In prior years, the project worked in the areas of energy efficiency (instrumentation and controls for a power plant; reduction of losses in natural gas distribution system; new uses for gas in transportation) and sector restructuring (establishment of a utility partnership; provision of advisors on market reform policies to gas and petroleum distribution entities).

During FY 1995, the project will focus on the following activities:

- Commercializing the natural gas transmission and delivery system.
- Assessing system metering practices and performing loss estimation.
- Improving energy efficiency in district heating systems and major building complexes with demonstrations and policy analysis.
- Providing advisory help on planning for restructuring and privatization.

Sustainability: The movement of the Moldovan natural gas supply system to a commercial market orientation will contribute to its long term sustainability. Current practices do not provide incentives for conservation, maintenance or efficiency.

Relationship to USAID Strategy: Activities which help ensure an adequate energy supply within a market framework are considered critical to the major assistance objective of fostering the development of a competitive economy in which the majority of resources are privately owned and managed.

Host Country and Other Donors: The project is coordinated primarily with the Moldovan Department of Gasification, and Moldovgas, the gas utility. Principal other donors active in the energy sector are the World Bank and the European Union Technical Assistance for the Commonwealth of Independent States (TACIS) Program. USAID project activities are coordinated with these donors.

Beneficiaries: Participating energy sector entities; natural gas consumers. The larger public will benefit from the introduction of energy efficiency measures.

Major Outputs: Establishment of commercial practices within Moldovan natural gas companies; improved energy efficiency in industry and buildings.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	80%
Training	5%
Commodities	5%
Grants	10%

PROJECT TITLE Health Care Improvement		PROJECT NUMBER 110-004 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)			
FY 1995 2,500		LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1998	ESTIMATED PROJECT COMPLETION FY 1999	

Purpose: To support health care financing and service delivery reform; to improve reproductive health care services; to improve the use of medical commodities and, improve vaccine self-reliance; and to strengthen health information and response capabilities.

Project Description: Activities to date include provision of vaccines and cold chain equipment and assistance in strategic planning; training health care officials and providers abroad; and establishment of a medical partnership between the Hennepin County Medical Center of Minneapolis and counterpart institutions in Chisinau.

In FY 1995, there will be an expansion of the Medical Partnerships Program, which will include work to upgrade clinical skills and practices, develop management capabilities at all levels of service provision and improve the nursing profession. Health care financing and delivery reform activities will be provided through short-term technical assistance and training. Vaccines and pharmaceuticals will be provided to meet critical needs and technical assistance and training in strategic planning and program development for vaccine self-reliance will continue in conjunction with medical commodity support provided from the Special Initiatives (110-001) Project.

Sustainability: The emphasis of these activities is to find long lasting, socially and financially viable solutions to Moldova's health care and service delivery problems. Every attempt is being made to look for less costly, more efficient methods to obtain the high degree of health coverage that existed prior to the break up of the former Soviet Union.

Relationship to USAID Strategy: The activities of this project are directly related to the third strategic objective of the U.S., namely to strengthen the capacity to manage the human dimension of the transition to democracy and a market economy, and to help sustain the neediest sectors of the population during the transition period.

Host Country and Other Donors: Moldovan national and local government officials are cooperating with health financing and service delivery reform and the medical partnership program.

Beneficiaries: The immediate beneficiaries of this project are the health care providers who participate and their clients. The entire at-risk populations in Moldova will also benefit from quality improvements in the health care delivery system.

Major Outputs: Improved efficiency and quality of services, leading towards sustainability, through health care reform activities; improved access to health information through the health surveillance and monitoring system; improved management and care delivery through the medical partnership; reduction in maternal and infant mortality through improved reproductive health care.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	65%
Training	15%
Commodities	10%
Grants	5%
Transfers 632(a) & (b)	5%

PROJECT TITLE Private Sector Initiatives		PROJECT NUMBER 110-005 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)			
FY 1995 12,300		LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998	

Purpose: To create a business environment that is transparent, fair and predictable and that results in foreign and domestic investment.

Project Description: The mass privatization program was initiated in July 1994 and is currently in its pilot stage undergoing refinement prior to national implementation. The government has sought to establish an independent body to regulate market activity. Licensing arrangements for investment funds and trust companies are in effect. During FY 1995, the project will address these principal actions: 1) transfer of assets from government to private owners through the voucher system and cash auctions;

2) creation of an institutional framework of law and regulation that enhances commercial viability of privatized enterprises; 3) further development of capital market institutions; and, 4) de-monopolization of wholesale and retail trade.

In addition, a new activity called NEWBIZNET will be initiated to create business associations and service centers in Chisinau which will provide technical assistance to business operators and data links to information services related to trade opportunities in the West. IESC will continue to be active in providing technical, operational and management volunteers to requesting firms.

Sustainability: The project aims to develop legal and regulatory processes which complement the major privatization actions, to ensure that enterprises, once privatized, are commercially viable. SEC-like capital markets enforcement mechanisms will protect the rights of new shareholders. A balance between private and public management will be sought, by emphasizing self-regulation on the U.S. model. A capital market clearing and settlement function will be promoted, so that enterprises can raise money for retooling and expansion. Land markets will be fostered, to create long term stability in property transactions as a foundation for investment in commercial, residential and agricultural enterprises. Lastly, public education will be deployed to assist voucher and share holders to understand and to act upon their rights and responsibilities.

Relationship to USAID Strategy: The project directly supports the first objective of U.S. assistance to Moldova, which is to foster the emergence of a market-oriented economy in which the majority of economic resources are privately owned and managed.

Host Country and Other Donors: The project is coordinated with the Ministries of Finance and Privatization. The program is also coordinated with the World Bank, the primary multilateral donor involved in privatization, as well as with the European Union donor countries.

Beneficiaries: Primary direct beneficiaries are Moldovan citizens, who will own the bulk of Moldova's industry, and small business operators working with the NEWBIZNET centers. Participants in private sector economic activities, and the population at large, will benefit from better quality, more widely available goods and services. Domestic and foreign investors will benefit from an improved business environment that opens untapped markets.

Major Outputs: By February 1995, complete transfer of 1,500 enterprises ranging in size from small to large-scale; Establishment of a capability to monitor investment funds; first phase of establishment of an enforcement capability completed; one Business Service Center operational with trade opportunity links established; increased trade and investment in the private sector directly attributable to NEWBIZNET activities.

USAID-Financed Inputs:**Life of Project (Est. by Percentage)**

Technical Assistance	55%
Training	5%
Commodities	38%
Grants	2%

PROJECT TITLE Democratic Pluralism Initiatives		PROJECT NUMBER 110-007 [X]GRANT []LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)		
FY 1995 1,000	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To support Moldova's transition to democracy through development of the rule of law, electoral and political process and civil society.

Project Description: Activities to date have included: support for independent media; electoral support at the national and local levels; training of commercial and civil court judges; and the development of indigenous non-governmental institutions through partnerships with U.S. NGO/PVOs.

Democratic pluralism activities planned in Moldova during FY 1995 are as follows:

- ABA will develop judicial training programs; develop an indigenous bar association; and provide general legal assistance including the drafting of laws related to commercial law and crime and corruption.
- Under Political Process development, USAID grantees will provide technical assistance to the Central Election Commission and local commissions in applying electoral laws, regulations and standards; and train political groups and civic groups in coalition building and organizational skills.
- Under Civil Society development, USAID will strengthen indigenous NGO capacity in targeted geographic regions through technical assistance, training, small grants, and removal of legal constraints to NGO development.

Sustainability: The program is designed to ensure that by the end of USAID's support, indigenous personnel can maintain targeted institutions and, to the maximum extent possible, these institutions are financially sustainable.

Relationship to USAID Strategy: Support for Moldova's democratization is one of the U.S. Government's highest priorities.

Host Country and Other Donors: There is little other donor activity supporting democratic pluralism in Moldova.

Beneficiaries: Direct beneficiaries are trained judicial and election officials, and NGO participants. All Moldovans will ultimately benefit from a more informed, democratic, pluralistic and civil society.

Major Outputs: More efficient and informed legislative processes; strengthened legal and judicial infrastructure, improved criminal justice reform; strengthened democratic political parties; and NGO operations expanded and strengthened.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical assistance	30%
Training	30%
Commodities	20%
Subgrants	13%
Transfers 632(a) & (b)	7%

PROJECT TITLE Economic Restructuring and Financial Reform		PROJECT NUMBER 110-009 [X] GRANT [] LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)			
FY 1995 2,500		LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998	

Purpose: To help institute fiscal and monetary reform at the legislative, regulatory, and operational level consistent with Moldova's commitment to establishment of a market-oriented economy founded on democratic principles.

Project Description: Early in FY 1994 a comprehensive analysis was conducted of Moldova's financial sector. Negotiations resulted in a three-part program of reform activities: 1) fiscal activities to assign revenues to government units consistent with their responsibility for providing services; 2) creation of a treasury function to assure that revenues are used for the purpose appropriated; and, 3) creation of a parliamentary budget office to analyze priorities within the legislative agenda and draft laws consistent with the intent of this agenda. General macroeconomic analysis is also being provided through a U.S. Treasury advisor and an advisor to the Minister of Finance.

During FY 1995, the project will focus on the following actions:

- Support for development of responsible fiscal management relations between the central and local governments, the so-called 'fiscal federalism' concept.
- The provision of advisory assistance in tax administration and revenue policy.
- Economic advisory assistance to Parliament, including legislative drafting.
- A training program for private sector bankers.

Sustainability: Institutional development is central to this project; a primary intent is develop policy-making and analytical capacities in the field of fiscal and monetary policy which will undergird the long term transformation of the Moldovan economy. All advisory assistance is given to Moldovan official counterparts. It is expected that at termination in 1997 each organization which has received our help will be self sustaining in terms of core professional competencies.

Relationship to USAID Strategy: This project directly addresses the first objective of U.S. assistance to Moldova, which is to foster the emergence of a competitive market-oriented economy. Under that objective, support for the development of market-oriented financial institutions and government fiscal systems is featured. Programs deemed necessary include training for private bankers and technical advice on fiscal issues.

Host Country and Other Donors: Activities under this project are conducted with strong support from Moldovan government entities. Fiscal and monetary policy advice is closely coordinated with the International Monetary Fund and United Nations, to ensure consistency in major donor approaches in these critical macroeconomic policy areas.

Beneficiaries: The population at large are the main beneficiaries of this project, in terms of its effort to help the government control inflation and set policies which will speed the restructuring process which will open greater opportunities for all citizens in the context of economic security. Government monetary and fiscal policy institutions are direct beneficiaries.

Major Outputs: Priorities will be set and five major pieces of economic legislation will be enacted. A transparent system will be instituted to correlate revenues with service programs assigned to various levels of government. A study tour for nine members of the Moldovan Treasury will occur. Commercial banker training will be provided to 300 Moldovans. Financial policy analysis will improve as a result of consultation with resident U.S. macroeconomists, and this will lead to better sector policy/regulation.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	64%
Training	15%
Commodities	2%
Grants	7%
Transfers 632 (a) & (b)	12%

PROJECT TITLE Eurasia Foundation		PROJECT NUMBER 110-010 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)		
FY 1995* * Funding under NIS Regional	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1993	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To support economic reform, governmental reform and the nonprofit sector, and media and communications activities through an independent grant-making institution.

Project Description: The Foundation has awarded grants for activities in all of the New Independent States of the former Soviet Union (NIS). The grant activities in Moldova include: Junior Achievement pilot business programs; attendance at a conference sponsored by the Foundation for a Civil Society; the University of Nebraska at Omaha and the Academy of Economic Studies established a Small Business Development Center in Chisinau; Columbia University Libraries provided textbooks on management, economics, and other social sciences; East-West TV is documenting the experience of NIS participants in American exchanges; and, participation in other multi-countries grant programs.

The Foundation will continue to award grants to U.S. and indigenous non-profit organizations such as sister cities programs, cooperating U.S. and NIS universities, technical institutes or hospitals, and traditional NGOs in need of strengthening. A new program in the for-profit sector will make recoverable grants or small loans, called Program Related Investments (PRIs). PRIs must be to organizations that fit within the Foundation's original purposes and be targeted at for-profit institutions. This could include support to indigenous publishers who desire to translate and publish important U.S. textbooks in economics, management or public administration.

Sustainability: It is estimated that for every dollar provided by the Foundation, two dollars is leveraged from the assisted entity. This demonstrated the commitment of the participating party or parties. Grants are only given to augment planned activities which show a high degree of existing involvement from NIS counterparts. Training in financial management and business planning are key elements to much of the Foundation's work to address the sustainability of supported activities.

Relationship to USAID Strategy: These grants are helping achieve each of the three U.S. assistance objectives in the New Independent States of the former Soviet Union by supporting activities to create a more competitive, market oriented economy, to provide more transparent and accountable governance through empowered citizens, and to redefine public and private sector roles in the management of social services. The grants also provide small-scale assistance - a need not otherwise met by USAID.

Host Country and Other Donors: Each assisted entity utilizes its own resources, staff time and facilities as part of its contribution. The Foundation works with other U.S. groups to augment their efforts. There is no assistance from the Moldovan Government. The MacArthur and Soros Foundations are involved in similar types of grant making.

Beneficiaries: The immediate beneficiaries are the grantees and the people they serve. However, a stronger private sector, a more open and efficient public administration, and a better, freer press and media will benefit all citizens of the NIS.

Major Outputs: Improved capacity of local NGOs to develop and administer programs.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Commodities	15%
Grants	85%

PROJECT TITLE NIS Exchanges and Training		PROJECT NUMBER 110-012 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)		
FY 1995 500	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1993	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: This project funds U.S.-based exchanges and training (short- and long-term) to: 1) equip a broad base of current and future Moldovan leaders and professionals with specialized skills, practical experiences and new attitudes needed to develop and support market-oriented economic systems and democratic governance; and, 2) build sustainable U.S.-Moldovan personal contacts and institutional linkages to facilitate trade, investment, technology transfer and cooperation on global issues of mutual concern.

Project Description: In support of Moldova's transition towards participatory democracy and market economics, highly specialized training which complements and reinforces on-going technical assistance efforts is provided to reformers and emerging private sector leaders and professionals attempting to implement structural change. To the extent possible, U.S.-sponsored training programs are combined with one on one experience with U.S. practitioners or internships in U.S. public and private sector organizations and provide exposure to U.S. community-based activities, including the operations of federal, state and local governments and non-governmental organizations and cultural institutions. Training is primarily aimed at reformers in key economic ministries and other public and private institutions. U.S.-sponsored programs provide training support to on-going sector assistance activities. Training focus includes indigenous non-governmental organizations, the banking sector, agricultural production, communications, business development, energy and the environment.

Sustainability: The nature of training suggests that the knowledge and skills gained will endure well beyond the length of training, allowing the recipient to draw upon newly-acquired skills for decision-making or problem solving purposes in response to immediate priority needs and long-term requirements. To this end, the aim of our training program is to create durable linkages between participants and individuals and/or institutions encountered during the time spent in the U.S. Maintaining linkages will reinforce the knowledge gained and new ways of thinking acquired through the training experience.

Relationship to USAID Strategy: Training has been a central theme in USAID's NIS Program since its inception. The sharing of U.S. experience and the provision of training in democratic principles and the management of a market economy are key elements of USAID's strategy for Moldova. This Project focusses on key sector issues which are also being addressed by our technical assistance programs in other projects.

Host Country and Other Donors: Host country contributions will be programmed as required. Project assistance will be coordinated with other donors as appropriate. USAID will also seek contributions from U.S. educational institutions to the maximum extent possible.

Beneficiaries: The direct beneficiaries of the project include the individuals and universities/training institutions receiving training opportunities. Indirect beneficiaries include citizens of Moldova who will enjoy the benefits of sustained institutional change.

Major Outputs: Approximately 120 Moldovans will be the recipients of U.S.-sponsored technical training while 380 will participate in separate USIA exchange opportunities.

USAID-Financed Inputs

Life of Project (Est. by Percentage)

Training	100%
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RUSSIA

NATIONAL INCOME AND EXPENDITURES

Per Capita GNP in U.S.\$ (1992) 2,510

Government Budgetary Expenditures as % of GDP by Economic Type (1992)
Total Expend. 50.7% Current Expend. 47.5% Capital Expend. 3.2%

General Government Budget Balance in % of GDP (1992) -18.8%

INTERNATIONAL RESERVES AND EXTERNAL DEBT

Official International Reserves (\$ Millions, US) NA

External Public Debt as % of GDP () NA

Service Payments on External Debt (1993):
As % of Total Export Earnings 3.73%

POPULATION

Total Population (Thousands, 1991) 148,326

Population Growth Rate:
(1985-90) 0.6 (1990-91) 0.1

Population (1990) By Age Group:
(0-14 yrs) 23.6% (15-64 yrs) 65.1% (65+ yrs) 11.3%

Total Fertility Rate (1985) 2.4 (1990) 2.3

HOUSEHOLD INCOME AND EMPLOYMENT

Income Share by Source as % of Total Household Income (1992)
Labor 66.6% Transfers 33.4%

Labor Force Participation Rate (1989)
Total 52.3% Male 57.8% Female 47.5%

Proportion of Labor Force by Sector of Employment (1992)
Agriculture 13.5% Industry 41.9% Services 44.6%

EXTERNAL TRADE

Current Account Balance (\$ Millions, US) (1992) -4,300

Total Imports (\$ Millions, US) (1992) 46,300
Of Which % From U.S. (1992) NA

Major Imports (1992): MACHINERY & EQUIPMENT, CHEMICALS, CONSUMER GOODS, GRAIN, MEAT, SUGAR, SEMIFINISHED METAL PRODUCTS

Total Exports (\$ Millions, US) (1992) 42,000
Of Which % to U.S. (1992) NA

Major Exports (1992): PETROLEUM & PETROLEUM PRODUCTS, NATURAL GAS, WOOD & WOOD PRODUCTS, METALS, CHEMICALS, CIVIL & MILITARY GOODS

Trading Partners (1992): EUROPE, NORTH AMERICA, JAPAN, CUBA

AGRICULTURE

Agricultural Production as % of GDP (1991) 12.3%

Shares of Gross Agricultural Production by Form of Ownership (1992)
Collective NA State NA Private Plot NA Private Farm NA

HEALTH

Life Expectancy at Birth, in Years (1991) 71.8

Infant Deaths in First Yr of Life per 1000 Live Births (1990) 17.2

Percent of Children 12-23 Months Old Fully Immunized Against
Tuberculosis(BCG) 86.0% (1992) Measles 83.0% (1992)
Diphtheria(DPT3) 62.0% (1992) Polio(3) 69.0% (1992)

EDUCATION AND LITERACY

Total School Enrollment as Ratio of Population in Age Group (1990-91):
General Education Total 65% Female NA

Literacy Rate (1970) Male 100% Female 100%

RUSSIA

PROGRAM OBLIGATION SUMMARY (In thousands of dollars)			
CATEGORY	FY 1993 (ACTUAL)	FY 1994 (ESTIMATED)	FY 1995 (PLANNED)
All accounts	\$269,620	\$1,610,175	\$385,500
TOTALS			

PERSONNEL DATA - MISSION DIRECT HIRE			
CATEGORY	FY 1993 (ACTUAL)	FY 1994 (ESTIMATED)	FY 1995 (PLANNED)
U.S. National	12	13	23
Foreign National		2	2
TOTALS	12	15	25

Participant Training Data: RUSSIA			
Participant Category	FY 1993 Actual	FY 1994 Estimated	FY 1995 Planned
US NET Project	102	4,535	700
USIA Exchanges	1,650	7,463	2,300
Other US Training	625	2,310	380
TOTALS	2,377	14,308	3,380

RUSSIA

Introduction

A stable, democratic, market-oriented Russia, secure in its own borders and respectful of the borders of others, integrated in the world community, is strongly in the U.S. national interest. This transition is incomplete, but it is critical that it succeed, for both world stability and for U.S. domestic needs. The end of the Cold War has enabled us to reduce our own defense expenditure. We now engage Russia as a partner in addressing transnational problems, and marshalling our combined efforts against a range of economic and environmental problems is more effective than exclusive reliance on ourselves and our allies. Russia's vast energy, mineral, timber and other resources represent major, largely untapped, trade and investment opportunities for United States business.

Russia is at a crucial stage in its transition. While a return to the past is all but inconceivable, the precise pace of change and shape of the future is still unclear. We have seen free and fair elections, but democratic institutions are still fledgling and need to establish full legitimacy. Vast numbers of state-owned enterprises are now in private hands, but old patterns of economic behavior have proven more tenacious. Periods of macro-economic stability have alternated with threats of hyper-inflation, and significant forces still push in both directions. While the humanitarian crises that seemed to threaten earlier have receded, pockets of poverty and the specter of unemployment threaten the inadequate indigenous systems of social support. Russia has come a long way, but the process of reform is incomplete and still needs support.

USAID Development Strategy and Accomplishments to Date

Russia's market reform strategy has been to focus first on the transfer of assets to private ownership and building constituencies for reform. The U.S. has been at the center of this effort, which has created a vast pool of private owners of enterprises, with a stake in the emerging market. Despite concerns after the December 1993 parliamentary elections, the reform process is holding. USAID is now addressing key complementary processes, particularly the strengthening of capital markets institutions, the development of a comprehensive commercial and civil code, and the provision of support to new and emerging private businesses.

Russia has committed itself to empowerment of its citizenry through open, fairly contested elections and accountable, transparent governance. The Duma and executive branch are struggling to work together, but fears of deadlock following the December 1993 election have not been borne out. Over 10,000 nongovernmental organizations are now registered, providing a basis for grass roots citizen participation. The U.S. has again been at the center of this process, providing critical technical support to the electoral commission, training judges and independent television producers, and helping over 300 NGOs to serve as avenues for citizen advocacy.

Crime and corruption have risen as a function of the breakdown of Soviet political and economic structures. While U.S. assistance resources are effectively protected from diversion through stringent control systems, the threat to the Russian economy and body politic is real. The U.S. is continuing to work for the establishment of an effective rule of law, reformed justice and market regulatory systems, and indigenous organizations that will provide greater accountability and protection of civic and economic rights. The U.S. will increase its efforts to assist in certain law enforcement fields.

Early on in Russia's transition, the U.S. responded with humanitarian assistance to address immediate crises in food and medical supplies which arose with disruption of the Soviet production and distribution system. USAID housing advisors have been central to housing reform successes particularly legislative changes that have led to the privatization of 8 million housing units. With increasing stability, Russia has the capacity to meet its own food needs and long-term U.S. humanitarian relief is not needed. However, Russia must now focus increased attention on alleviating the inevitable human costs associated with lost jobs, depressed wages, and loss of the subsidies which characterized housing and social services under the Soviet system. USAID seeks the creation of viable, sustainable employment through local governments and the private and NGO sectors, rather than through central, administrative mechanisms.

Other Donors

Assistance to Russian reform is a broad-based international effort. The partially complete July 1993 Organization for Economic Cooperation and Development (OECD) register of donor programs identified 986 technical assistance projects authorized, budgeted at \$949 million; most of these were targeted on state enterprise restructuring and privatization; the development of reform plans for various sectors; nuclear safety, energy and the environment; and food production, transport and distribution. Known donor plans suggest that new assistance will continue in these same sectors, with somewhat more emphasis on social sector restructuring, defense conversion and agriculture. The United States coordinates closely with the International Monetary Fund (IMF), World Bank and the European Bank for Reconstruction and Development (EBRD) and with other primary bilateral donors including Germany, Japan and the European Union. USAID provides critical technical assistance support for the preparation of World Bank and EBRD loans.

FY 1995 Program

The first phase of the assistance effort, broadly to ensure the success of the mass privatization and restructuring program undertaken by the Russian government, is gradually yielding to a more sharply honed concentration of resources on ensuring that the enabling institutional environment to sustain the transition will be put in place. At the same time, we will also be placing new emphasis on stimulating private sector trade and investment to demonstrate the benefits of economic reform and to create pressure for change from successful market-oriented enterprises. This change in emphasis will affect the allocation of funds both among and within the Strategic Objectives described in the overview to this document.

Assistance for the market reform objective in FY 1995 will continue to support privatization focusing on land, and farms in particular. However, the emphasis will shift to developing the capital and financial markets; providing business support services and enterprise funds to aid new and emerging businesses, as well as privatized enterprises; enacting comprehensive commercial and civil codes; and, reforming the national, regional and local tax and expenditure systems and commercial law courts. In addition, efforts will be continued to promote sound environmental practices and rational energy pricing and utilization. To promote trade and investment, a significant level of resources will be transferred to the Overseas Private Investment Corporation (OPIC), Trade and Development Agency (TDA) and Department of Commerce programs.

The democratic reform objective in FY 1995 will be furthered by continuing to strengthen political institutions, particularly the parliament, political party system and executive-legislative cooperation; to ensure accountability through an independent media, active citizen participation in non-government organizations and a wide range of exchange and training programs; and, to establish an effective rule of law to combat crime and corruption by training judges, reforming the judicial system and creating links with international law organizations. In addition, in close coordination with our Embassy in Moscow, USG law enforcement agencies will cooperate with Russian counterparts in dealing with areas of criminal activity that are a high priority to the U.S.: organized crime, financial crime, nuclear proliferation and drug trafficking.

Support for the public and social services objective in FY 1995 will be focused on job creation through small enterprise development; improved service delivery in health care, housing and pharmaceuticals; and, effective municipal administration, including finance, budgeting, management and service delivery. Funds have also been set aside under the Health Care Project to begin a new family planning initiative.

Certain activities begun in prior years, for example technical assistance to agricultural storage, will be scaled back and, in some cases, shifted to the private sector. Humanitarian assistance will be provided only in an emergency. Assistance will be provided to selected reform-oriented geographic regions of the country. The core intent is to participate effectively in the Russian effort to reshape the role of government from a provider to a guarantor/facilitator. For this reason, assistance in promoting democratic governance, the rule of law, and, particularly in the financial sector, commercial code and capital market development and regulation, will be the hallmark of the FY 1995 program. USAID is programming \$379.4 million in FREEDOM Support Act funds for all on-going projects and transfers.

Mission Director: James A. Norris

PROJECT TITLE Energy Efficiency and Market Reform		PROJECT NUMBER 110-002 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)			
FY 95 28,000		LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998	

Purpose: To support the energy sector's transition to a market system. This transition is critical to the success of economic restructuring in Russia. Russia's energy system has suffered declining production and serious environmental and safety liabilities in large part because of the centralized structures, subsidized pricing and state allocation system, which rigidly controlled investment.

Project Description: Project activities in prior years have addressed energy efficiency (district heating systems, and power demand management), pricing and institutional change (work on privatization of electric utilities, establishment of utility partnerships), production efficiency (accelerating IFI loans for gas system rehabilitation), and nuclear safety. During FY 95, the project will focus on: 1) implementing a multi-donor power investment program including alternatives to high risk nuclear power plants; 2) establishing the legal and regulatory framework for restructuring/privatizing the electric power system; 3) advising on the Russian coal industry's restructuring effort; 4) petroleum policy reform, coupled with oil/gas technology transfer in cooperation with the World Bank and U.S. Dept. of Energy; and, 5) support for nuclear safety through U.S. DOE/NRC programs and the G-7 Nuclear Safety Fund.

Sustainability: The objective of this U.S. assistance is to support the transition to a sustainable market based energy system with private sector participation open to foreign investment and technology transfer. Exposure of the decision-makers of Russia's energy institutions to U.S. models of utility practices through partnerships and training will enhance sustainability.

Relationship to USAID Strategy: The first objective of U.S. assistance to Russia is to foster the emergence of a competitive, efficient, market-oriented economy in which the majority of economic resources are privately owned and managed. One of the four main programmatic emphases under this objective is to foster economically rational and sustainable development in the energy sector. This project directly supports this strategy through its concentration on restructuring/privatization of the electric power, coal and petroleum industries and improved efficiency of energy production and use.

Host Country and Other Donors: USAID participation in the energy sector is closely coordinated with and supported by Russian sectoral entities and relevant ministries. All activities, including the power investment program, are coordinated with other principal donors, primarily the World Bank and EBRD, as well as European Union donor countries. Coal sector work is conducted jointly with the British Know-How Fund and the World Bank. Part of the nuclear safety assistance is being provided as a U.S. contribution to the multilateral Nuclear Safety Account, a fund managed by the EBRD.

Beneficiaries: Direct beneficiaries are Russian sectoral entities which play key roles in the transformation process, such as production enterprises in the process of restructuring. Oil and coal production associations benefit, as well as coal miners from the introduction of improved safety practices. Indirect beneficiaries are the population at large, through reduced pollution, improved reliability, and opportunities for private sector involvement which restructuring/privatization will offer.

Major Outputs: Power investment projects prepared for multilateral development banks and/or private financing; a legal/regulatory framework established and implemented for electric power privatization; improved productivity and safety of the coal mines; long-distance oil pipeline company, Transneft, restructured and commercialized; improved management practices through the establishment of approximately five utility partnerships in gas and electricity; improved nuclear safeguards in the private sector.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	40%
Training	5%
Commodities	5%
Grants	10%
Transfers 632(a) & (b)	40%

PROJECT TITLE Environment Policy and Technology		PROJECT NUMBER 110-003 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)		
FY 1995 17,000	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1993	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To reduce environmental threats to human health, and to promote natural resource management and preservation of biodiversity.

Project Description: The project has provided grants to environmental NGOs in Russia and initiated a natural resources conservation effort in the Lake Baikal region. Regionally based activities for pollution control and local institutional participation in environmental improvements were identified and begun.

During FY 95, the project will focus on:

- Industrial environmental management in the city of Nizhni Tagil (Urals region), with special emphasis on environmentally sound conversion of defense facilities.
- Multiple source pollution reduction in the Novokuznetsk (Western Siberia region). Risk assessment and local planning to diversify the regional economy to a more sustainable base will be featured. Pittsburgh is the sister city.
- Protection of forests and preservation of biodiversity in the Khabarovsk region (Russian Far East) emphasizing management of natural resources on sustainable basis.
- Continuation/completion of environmental management programs in the Moscow watershed and in air quality in Volgograd (southern Russia).
- Expanding the NGO strengthening program and working on environmental policy reform.

Sustainability: Involvement of local organizations, particularly NGOs, in planning and decision processes will foster more sustainable growth. Training of industrial plant managers will help institutionalize efficiencies leading to environmental improvements. Provision of materials to academic institutions helps create a base of accessible knowledge on environmental impacts and solutions. Improving the policy framework for investment, so that environmental considerations are given weight. A body of local professional consultants is being trained, to provide a continuing resource for analysis and design of environmentally sound approaches.

Relationship to USAID Strategy: The project supports key objectives of the assistance strategy for Russia by fostering economically rational and sustainable development, including the reduction of environmental risk, by strengthening local government's role in natural resources management, and by supporting reforming regions, where local initiative leads the way.

Host Country and Other Donors: The project is coordinated with the Ministry of Environment and local governing bodies, which contribute significant staff and other resources. The project is coordinated with the planned World Bank environment project. It is associated with the Global Environmental Fund project on biodiversity.

Beneficiaries: Local populations are the primary beneficiaries, as well as participating industrial plants, local government institutions and NGOs.

Major Outputs: Pollution reduced from industrial and municipal facilities in Nizhni Tagil, Novokuznetsk, Volgograd and Moscow; forestry sector management restructured on sustainable grounds and U.S. private investment increased and key habitats protected; public and NGO participation in environmental policy formulation increased, and stronger laws with enforcement implemented.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	55%
Training	14%
Commodities	20%
Grants	8%
Transfers 632(a) & (b)	3%

PROJECT TITLE Health Care Improvement		PROJECT NUMBER 110-004 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)		
FY 1995 11,000	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1998	ESTIMATED PROJECT COMPLETION FY 1999

Purpose: To support health care financing and service delivery reform; to strengthen the regulation and production management and technology for pharmaceuticals and medical equipment; to strengthen health information and response capabilities; and, to support women's reproductive health initiatives.

Project Description: Activities to date include the formation of eight medical partnerships in six cities, a request for pharmaceutical investment challenge grant proposals and the negotiation of a Memorandum of Understanding (MOU) by the Food and Drug Administration (FDA) to simplify registration in Russia of FDA-approved drugs and vaccines.

The 1995 program will focus on five major components: 1) health care financing and service delivery reform activities will introduce market-oriented reforms to improve the financing, quality, efficiency, and sustainability of health care and assist local and national health officials redefine public/private responsibilities, finance, and service delivery roles; 2) the Medical Partnerships Program will continue in FY 1995 and will work to upgrade clinical skills and practices, develop management capabilities at all levels of service provision and improve the nursing profession; 3) demonstrating the value of programs to enhance quality control, good manufacturing practices, pharmaceutical management, and rational drug use through FDA assistance and the Rational Pharmaceutical Management Project, while the Medical Technologies Transfer Activity will accelerate U.S. investment in the production and distribution of critically needed drugs; 4) strengthening health information and response capabilities (through sentinel surveillance and longitudinal monitoring) to provide information on communicable disease problems and changes in health/nutrition status due to economic dislocations and through development of service delivery strategies for key health problems using U.S. and indigenous non-governmental organizations to address maternal and child health and substance abuse problems; and 5) the Women's Health Initiative will enhance the effectiveness of reproductive health care, and reduce high levels of maternal mortality associated with abortion through family planning.

Sustainability: The emphasis of these activities is to find long lasting, socially and financially viable solutions to Russia's health care and service delivery problems. Every attempt is being made to look for less costly, more efficient methods to obtain the high degree of health coverage that existed prior to the break up of the former Soviet Union

Relationship to USAID Strategy: The activities of this project are directly related to the third strategic objective of the U.S., namely to strengthen the capacity to manage the human dimension of the transition to democracy and a market economy, and to help sustain the neediest sectors of the population during the transition period.

Host Country and Other Donors: Russian national and local government officials are cooperating with the health financing and service delivery, the pharmaceutical management and production assistance, and the medical partnerships.

Beneficiaries: The immediate beneficiaries of this project are the health care providers who participate and their clients, and the pharmaceutical producers, distributors, retailers and customers. The entire at risk population in Russia will also benefit from a more efficient, cost effective health care delivery system.

Major Outputs: Improved efficiency and quality of services, leading to sustainability, through an intensive health care reform program; improved access to health information through the health surveillance and monitoring system; improved management and care delivery at participating facilities; increased financial viability of indigenous pharmaceutical industry.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	65%
Training	15%
Commodities	10%
Grants	5%
Transfers 632(a) & (b)	5%

PROJECT TITLE Private Sector Initiatives		PROJECT NUMBER 110-005 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)			
FY 1995 119,000		LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998	

Purpose: To create a business environment that is transparent, fair and predictable and that results in foreign and domestic investment.

Project Description: Almost solely through U.S. donor assistance, more than 80,000 small and 12,000 medium and large enterprises were transferred to the private sector representing about 70% of industrial employment in Russia. Also, U.S. assistance was crucial in beginning the development of functioning capital markets. The New Business Development activity is facilitating the emergence and growth of small business through institutional training, financial sector reforms, commercial code changes, and establishing Business Service Centers which provide technical assistance and training. During FY 95, the project will address these principal actions: 1) continued transfer of assets from government to private owners, through the voucher system, cash accounting, de-monopolization, commercial investment tenders, and land privatization; 2) creation of an institutional framework of laws and regulations and enforcement institutions that enhances commercial viability of privatized enterprises; 3) further development of capital market institutions; 4) development of land markets; 5) technical assistance for privatized enterprises; and, 6) continued development of small businesses and reform of the policy and financial environment they operate within.

Sustainability: The project aims to develop legal and regulatory processes which complement the major privatization actions, to ensure that enterprises, once privatized, can be viable in an enabling system. SEC-like capital markets enforcement mechanisms will be fostered to back up laws and regulations governing share marketing and transfer. A balance between private and public management will be sought, by emphasizing self-regulation on the U.S. model. A capital market clearing and settlement function will be promoted, so that enterprises can raise money for retooling and expansion. Land markets will be fostered, to create long term stability in property transactions as a foundation for investment in commercial, residential and agricultural enterprises. Lastly, public education will be deployed to assist voucher/shareholders to act upon their rights.

Relationship to USAID Strategy: The project directly supports the first objective of U.S. assistance to Russia, which is to foster the emergence of a market-oriented economy in which the majority of economic resources are privately owned and managed.

Host Country and Other Donors: The project is coordinated with the State Property Committee (GKI) and through this committee with the President of the Russian Federation. There is an active dialogue to ensure agreement on approaches to each major action, which has nation-wide economic and social implications. The program is also coordinated with the World Bank, the primary multilateral donor involved in privatization.

Beneficiaries: Primary direct beneficiaries are some estimated 40 million shareholders, who now own the bulk of Russia's large and medium scale industry, and hundreds of small enterprises that will benefit from technical assistance and training programs. Participants in private sector economic activities, and the population at large, benefit from better quality, more widely available goods and services.

Major Outputs: Capital and land markets systems functioning; shareholder rights/responsibilities widely understood; corporate governance practices, e.g. disclosure of share registries, in place; enforcement groups functioning and providing daily regulatory oversight; clearing/settlement transfer agents operating and regulated; ten local privatization centers established to help decentralize market reform and provide post-privatization assistance to enterprises; and, an increased success rate for small businesses.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	55%
Training	5%
Commodities	38%
Grants	2%

PROJECT TITLE Food Systems Restructuring		PROJECT NUMBER 110-008 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)		
FY 1995 8,000	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To accelerate the emergence of private, market-based food production, processing and distribution systems and to support privatized farm restructuring in Russia.

Project Description: In prior years, the project was aimed at establishment of joint ventures between U.S. agribusiness companies and Russian agricultural enterprises. Eighteen joint ventures were established covering food processing/retailing and input production/distribution. Further, the project created a truly private agricultural cooperative providing a range of services to small farmer members. These activities yielded increased production and marketing of a variety of higher quality agricultural products including meat, potatoes, poultry, dairy, corn and vegetables. Direct support for agribusiness joint ventures will be shifted to the Russian-United States Enterprise Fund.

During FY 95, the project will focus on: agriculture policy reform and post-privatization advisory services to agribusiness and the testing of different models of farm privatization in four regions ('oblasts'). Each region's pilot will have a different emphasis. Some of the aspects to be dealt with are: shifting of responsibility for social services from privatizing farms to other organizations; shedding of business activities, e.g. machinery repair, unrelated to crop production; and, devising new forms of agricultural credit to meet needs of privatizing farms.

Sustainability: Soviet-era agriculture received steadily increasing amounts of investment capital but had long term declining yields and rising losses because of inherent rigidities and inefficiencies of the state-directed system. A major purpose of this project is to help test and then replicate successful approaches to restructuring of Russian agriculture production. The demonstration of how farming complexes can become commercially viable is key to putting Russian agriculture on a path of sustainable growth.

Relationship to USAID Strategy: This project directly supports the strategic objective of fostering the emergence of a market-oriented economy. In particular, the project seeks to assist in the area of rural land privatization, and de-monopolization of the agricultural production, processing and distribution system.

Host Country and Other Donors: Oblast agricultural entities are the primary participating host country organizations in this endeavor. The Russian State Property Committee (GKI) plays a supporting and coordinating role on land privatization issues. The United States is the primary donor in this field.

Beneficiaries: Russian agricultural entities (state farms, cooperatives, agribusinesses, small-scale private operators) willing to take risks associated with commercialization/privatization under an evolving policy/legal structure are the direct beneficiaries. Indirect beneficiaries are consumers who have a wider range of better quality food products on a more reliable basis.

Major Outputs: A minimum of 20 viable, food system joint ventures and 10 private agribusinesses; privatized state/collective farms with new forms of rural social infrastructure delivery; new, replicable agricultural credit systems in place.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	25%
Training	15%
Commodities	6%
Grants	51%
Transfers 632(a) & (b)	3%

PROJECT TITLE Democratic Pluralism Initiatives		PROJECT NUMBER 110-007 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)			
FY 1995 26,000		LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998	

Purpose: To support Russia's transition to democracy through development of the rule of law, independent media electoral and political processes, civil society and enhanced public administration, particularly at the local level.

Project Description: Activities to date have included: electoral support at the national and local levels; political party and independent trade union development, support for the Duma, legal data base development, training of commercial and civil court judges, introduction of the jury trial system, support to independent TV stations, technical assistance to cities in municipal finance and management, and development of indigenous non-governmental institutions. Activities planned during FY 1995 are:

- Rule of Law consortium and the United States Bar Association will develop the legal profession by training judges, defense attorneys and prosecutors; establishing an independent judiciary; developing continuing legal education and indigenous bar associations; developing public law clinics; establishing an ombudsman's office; expanding jury trials; establishing a human rights center and a new uniform law drafting institute focused on commercial and criminal codes, including laws related to crime and corruption. Congressional Research Service will assist the Duma with its research service.
- USAID grantees, NDI, IRI, IFES and FTUI, will train political parties, civic groups, including women and youth, and parliamentary groups in coalition building, media and organizational skills; provide technical assistance to the Central Election Commission and local commissions in applying electoral laws, regulations, standards and voter education; and provide technical assistance, training and radio/TV programming to encourage the growth of independent trade unions.
- The Media program will establish partnerships between U.S. and Russian print and electronic media organizations, journalism schools and news agencies and provide business and technical training to independent TV stations. USAID will strengthen civil society and indigenous NGO capacity in targeted geographic regions through technical assistance, training, small grants, and reduce legal constraints to NGO development.
- The Public Administration program will improve financial practices, strengthen management, increase transparency, accountability and predictability of city governments by providing technical assistance, training and computer hardware and software to the cities of Moscow, Nizhny Novgorod, Vladivostok and, potentially, other sites.

Sustainability: The program is designed to ensure that by the end of USAID's support, the assisted institutions and processes will be sustainable with indigenous resources and commitments.

Relationship to USAID Strategy: Support for Russian democratization is one of the U.S. Government's highest priorities.

Host Country and Other Donors: A multitude of Russian organizations are providing staff, office space and budget support to the activities under this Project. NED, Soros, Rockefeller, Carnegie and MacArthur Foundations are also active in this area. UNDP and the World Bank are interested in specific areas of Rule of Law and Governance.

Beneficiaries: Direct beneficiaries are trained judicial and election officials, media specialists, leadership and staff of city governments and NGO participants. All Russians will benefit from a more informed, democratic, pluralistic and civil society.

Major Outputs: More efficient and informed legislative and legal processes; strengthened legal and judicial infrastructure, improved criminal justice reform; expanded public awareness through financially viable and independent media partnerships; strengthened democratic political parties; strengthened democratic and independent labor unions; NGO operations expanded and strengthened; improved management of financial practices of city governments; and improved services to city residents.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	30%
Training	30%
Commodities	20%
Subgrants	13%
Transfers 632(a) & (b)	7%

PROJECT TITLE Housing		PROJECT NUMBER 110-008 [X] GRANT [] LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)			
FY 1995 5,000		LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998	

Purpose: To support the development of a private real estate and housing market. This is critical to both economic restructuring and sustainable democracies, as declining housing production creates severe social and political strains while subsidies for existing housing represent a major drain on public sector budgets.

Project Description: During prior years, innovative mortgage instruments were developed. A housing allowance system is to be implemented in several cities to help people who cannot afford rent increases associated with the commercialization of the housing sector. Privatization of maintenance and management of publicly-owned units has occurred on a pilot basis in Moscow and Novosibirsk. A national law was passed requiring that all new public housing use private maintenance and management services. Funding was provided for 5450 housing units to facilitate the withdrawal of Russian troops from the Baltics.

During FY 95, the project will focus on the following actions:

- Policy work in urban land law, municipal finance and property taxation.
- Privately-owned maintenance and management businesses will be expanded on a regional basis.
- Further development of the mortgage and housing allowance systems.
- Commercial construction and real estate market development.
- Institutionalizing reforms within Russian institutions.

Sustainability: Russian cities cannot provide needed housing sector services on a cost-effective basis. The project aims to create a self-sustaining housing finance system and to encourage private sector involvement in maintenance and management on a long term, commercially viable basis. Work in municipal finance will focus on sustainable urban services related to the housing sector.

Relationship to USAID Strategy: The project addresses the third objective of U.S. assistance strategy for Russia, which is to ameliorate the human cost associated with the transition to a democratic society and market based economy. The ownership and availability of housing are factors that directly affect key aspects of Russian society. Actions taken to improve the current situation can only help sustain the support for more fundamental changes on the economic and political fronts.

Host Country and Other Donors: The project is coordinated with the Russian State Construction Committee (Gosstroy), the City of Moscow Department of Communal Services, the Governor of Nizhni Novgorod Oblast, and Russian bankers' associations. The World Bank is the principal other donor in the sector. USAID is providing \$10 million in technical assistance to develop and implement a \$400 million World Bank housing sector loan project.

Beneficiaries: Residents of municipally-owned housing; owners of privatized dwellings and land.

Major Outputs: Legislation and regulatory frameworks enabling private housing markets; functioning mortgage lending system and commercial real estate market; housing management and maintenance services privatized, and a land privatization process developed.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	38%
Training	5%
Commodities	57%*

*Includes construction and voucher costs for Russian Officer Resettlement Program (56%)

PROJECT TITLE Economic Restructuring and Financial Reform		PROJECT NUMBER 110-009 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)		
FY 1995 13,500	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To help institute fiscal and monetary reform at the legislative, regulatory, and operational level consistent with Russia's commitment to establish a market-oriented economy founded on democratic principles.

Project Description: In FY 1993 USAID engaged in a detailed analysis of Russia's financial sector, working closely with the IMF and the World Bank, while U.S. Treasury Department advisors worked on macroeconomic issues. A program of financial sector reforms was negotiated. In FY 1994, technical services were initiated through three teams of fiscal advisors, commercial banker training, central banking activities, and GATT accession services. During FY 1995 activities will focus on:

- Continued support for fiscal analysis units within the Parliament, Ministry of Finance, Moscow Oblast administration and potentially other oblasts, to spearhead joint U.S.-Russian efforts to achieve balance in Russia's fiscal system, including support in developing a tax system appropriate to a market economy.
- Macroeconomic policy advice to the Russian government from U.S. Treasury Department advisors.
- Monetary policy advice and training to the Russian Central Bank and commercial banks.
- Support anti-monopoly regulatory reform through the Natural Monopolies Working Center for Economic Reform.
- Support for the Trade Policy Center of the Ministry of Economy to strengthen its policy and analysis capability.

Sustainability: Institutional development is central to this project; a primary intent is creation of an analytical capacity for fiscal and monetary policy formulation to undergird the long term transformation of the Russian economy. Assistance is provided through interaction with Russian counterparts. At activity termination in 1997, it is expected that each organization which has received USAID help will have a self-sustaining core of competent professionals.

Relationship to USAID Strategy: This project directly addresses the objective of fostering the emergence of a competitive market-oriented economy. It will address weaknesses in monetary and fiscal policies which have resulted in large budget deficits, inflation and lost purchasing power by the ruble. U.S. support to nascent Russian institutions which bear core responsibility for establishing monetary and fiscal policy is part of an international effort to help the Russian government manage its economic reform process. In addition, the project helps rationalize central/commercial bank relations, modernizes commercial bank operations, and supports the promotion of competition and the elimination of monopolies during the process of state-owned enterprise privatization.

Host Country and Other Donors: Activities under this project are conducted in full coordination with Russian government entities. Fiscal and monetary policy advice is closely coordinated with the International Monetary Fund and World Bank to ensure consistency in major donor approaches in these critical macroeconomic policy areas.

Beneficiaries: The population at large are the main beneficiaries, as the project will help the government to control inflation and set policies that will speed the restructuring process and provide opportunities for all citizens in the context of economic security. Government entities responsible for monetary and fiscal policy are the direct beneficiaries of U.S. assistance.

Major Outputs: A transparent system will be developed for relating the costs of services at all levels of government and the availability of revenues to fund them. Inflation will be reduced to less than 15%. The Central Bank will initiate a system of supervision that will reduce the level of bad debt held by commercial banks. Russia will accede to GATT. Two commercial bank training centers will be created to provide training to more than 2,000 commercial bank personnel and their customers.

USAID-Financed Inputs:**Life of Project (Est. by Percentage)**

Technical Assistance	64%
Training	15%
Commodities	2%
Grants	7%
Transfers 632(a) & (b)	12%

PROJECT TITLE Eurasia Foundation		PROJECT NUMBER 110-010 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)			
FY 1995 5,000		LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1993	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998	

Purpose: To support economic reform, governmental reform and the nonprofit sector, and media and communications activities through an independent grant-making institution.

Project Description: Activities to date of the Eurasia Foundation include multiple grants for business education and management training through institutional development of trainers, curriculum reform and textbook upgrades; establishing a small business development center to help local entrepreneurs with business plans and counseling; economics education at the university level; projects to enhance the status of women in the NIS; electronic information connections and grant competitions for newsprint entities; and local level administrative reform targeted at fiscal management and social safety net issues.

The Foundation will continue to award grants to U.S. and indigenous non-profit organizations such as sister cities programs, cooperating U.S. and Russian universities, technical institutes, business centers, and traditional NGOs in need of strengthening. A new program in the private sector will make recoverable grants or small loans, called Program Related Investments (PRIs). PRIs must be to organizations that fit within the Foundation's original purposes and will be targeted at the for profit institutions.. This could include Russian publishers who desire to translate and publish important U.S. textbooks in economics, management or public administration.

Sustainability: It is estimated that for every dollar provided by the Foundation, two dollars are leveraged from the assisted entity. This demonstrated the commitment of the participating party or parties. Grants are only given for new activities to augment planned activities which show a high degree of existing involvement from NIS counterparts. Training in financial management and business planning are key elements to much of the Foundation's work to address the sustainability of supported activities.

Relationship to USAID Strategy: These grants are helping to achieve each of the three U.S. assistance objectives in Russia by supporting activities to create a more competitive, efficient, market oriented economy, to provide more transparent and accountable governance through empowered citizens, and to redefine public and private sector roles in the management of social services. The grants also provide small scale assistance - a need not otherwise met by USAID.

Host Country and Other Donors: Each assisted entity utilizes its own resources, staff time and facilities as part of its contribution. The Foundation works with other U.S. groups to augment their efforts in modest ways. There is no assistance from the Russian Government. The MacArthur and Soros Foundations are involved in similar types of grant making.

Beneficiaries: The immediate beneficiaries are the grantees and the people they serve. However, a stronger private sector, a more open and efficient public administration, and a better, freer press and media will benefit all Russians.

Major Outputs: Strengthened indigenous organizations; improved business and management skills; increased number of small business centers established; improved electronic communications

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Commodities	15%
Grants	85%

PROJECT TITLE Enterprise Funds		PROJECT NUMBER 110-011 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)			
FY 1995 40,000		LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1993	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998	

Purpose: To foster private sector development and sustain emerging private enterprises by providing equity and loan capital, as well as technical assistance in appropriate instances, using the following vehicles: Russian-American Enterprise Fund (RAEF) focusing on small and medium-scale businesses; Fund for Large Enterprises in Russia (FLER) focusing on medium to large-sized enterprises emerging from the Russian mass privatization program; the U.S./EBRD Regional Venture Fund (RVF) focusing on medium-sized private enterprises in the lower Volga region; and the EBRD Russia Small Business Fund (SBF) focusing on micro and small-enterprises.

Project Description: In FY 1994 RAEF became fully operational and made its first investments in August, 1994. It also has opened its Russian Far East office and established a small business lending program. During FY 1995, RAEF operations will expand to permit investments in all sectors of the economy.

In FY 1994, the U.S. established the FLER, which is expected to operate for a ten to fifteen year period. The FLER will continue its investment program in FY 1995. Also, in FY 1994 USAID fully funded the U.S. contribution to the RVF, which will operate for up to ten years. Finally, in FY 1994, the U.S. contributed \$9 million to the SBF's extended pilot program, which tests small loan and micro-credit facilities through new banks and other financial institutions, and trains and advises local bank staff on lending practices. During FY 1995, the U.S. expects to contribute to the full-scale SBF. That contribution will depend on the results of a formal evaluation of the pilot program.

Sustainability: RAEF and FLER are intended to repay the U.S. contribution from profits on its investments, and may then continue as a self-sustaining private sector entity. The RVF will operate for up to ten years at which point it will terminate its activities. The SBF is meant to develop long-term small business credit facilities in Russia.

Relationship to USAID Strategy: The RAEF, FLER, RVF, and SBF will directly support the first objective of U.S. assistance to Russia, which is to foster the emergence of a competitive, market-oriented economy. One of the areas of programmatic emphasis is provision of assistance to privatized and new enterprises through enterprise funds.

Host Country and Other Donors: No other donors are involved with the RAEF or the FLER. However, the FLER is the principal component of the U.S.'s contribution to the multilateral Special Privatization and Restructuring Program (SPRP) that emerged from the Tokyo G-7 Summit in July, 1993 and is expected to result in the establishment of ten (10) regional equity funds, including the FLER and the RVF. The SBF is multilateral (U.S. and its G-7 partners) with EBRD itself taking a 50% position in the Fund.

Beneficiaries: The direct beneficiaries are newly privatized and newly established businesses in Russia which receive investment finance through the Funds. Indirectly, the population at large will benefit from successful business expansion through lower cost and higher quality goods and services.

Major Outputs: Demonstration to foreign investors that profitable investments can be made in Russia; involvement of Russian citizens and institutions to develop and implement investment activities; definition of specific policies and regulations that undermine or hamper successful business practices in Russia; support of the successful restructuring, or strengthening of, a number of privatized Russian firms; development of a number of key joint ventures between U.S. and Russian private companies; and attraction and leveraging of private sector capital.

USAID-Financed Inputs:**Life of Project (Est. by Percentage)**

Grants

100%

PROJECT TITLE NIS Exchanges and Training		PROJECT NUMBER 110-012 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)		
FY 1995 15,000	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1993	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: This project funds U.S.-based exchanges, training (short- and long-term) and institutional partnerships to: 1) equip a broad base of current and future Russian leaders and professionals with specialized skills, practical experiences and new attitudes needed to develop and support free enterprise and democratic governance ; and, 2) build sustainable U.S.-Russian personal contacts and institutional linkages to facilitate trade, investment, technology transfer and cooperation on global issues.

Project Description: This project supports Russia's transition towards participatory democracy and market economics by providing highly specialized training which complements and reinforces on-going technical assistance efforts aimed at reformers and emerging private sector leaders and professionals attempting to implement structural change. Training responds to immediate priority needs and addresses longer-term requirements by providing opportunities to foster U.S./Russia partnerships. U.S.-sponsored training programs are combined with first-hand experience with U.S. practitioners or internships in U.S. public or private sector organizations and provide exposure to U.S. community-based activities, including the operations of federal, state and local governments and non-governmental organizations and cultural institutions. In-country programs provide training support to on-going sector assistance activities. Training content is primarily focussed on the development of parliamentarians, business leaders, commercial bankers, housing industry officials, private voluntary organizations, agribusiness leaders and health professionals.

The U.S./Russia Partnership Program provides U.S. organizations the opportunity to work directly with Russian organizations for the purpose of enhancing their ability to provide educational or membership services. Through partnerships, organizations enter into equally beneficial affiliations in order to carry out programs or develop educational products (activities such as adult education and civic awareness) which have potential for being sustained beyond the life of the project. A Grant to Pepperdine University supports Russia's defense conversion effort while a Grant to Washington State University strengthens Russia's agricultural research capacity. Through the FAA, training is being provided to strengthen Russia's Air Traffic Safety.

Sustainability: The nature of training suggests that the knowledge and skills gained will endure beyond the length of training, allowing the recipient to draw upon newly-acquired skills for decision-making or problem solving purposes. Maintaining linkages will reinforce the new knowledge gained and new ways of thinking acquired through the training experience.

Relationship to USAID Strategy: Training has been a central theme in USAID's Russia Program since its inception. The sharing of U.S. experience and the provision of training in democratic principles and the management of a market economy are key elements of USAID's strategy for Russia. This Project focusses on key sector issues which are also being addressed by our technical assistance programs in other projects.

Host Country and Other Donors: Host country contributions will be programmed as required. Project assistance will be coordinated with other donors as appropriate. USAID will also seek contributions from U.S. educational institutions to the maximum extent possible.

Beneficiaries: The direct beneficiaries of the project include the individuals and universities/training institutions receiving training opportunities. Indirect beneficiaries include Russian citizens who will enjoy the benefits of sustained institutional change.

Major Outputs: Of the 29,249 NIS citizens to receive U.S.-sponsored training funded under this project and the USIA program, 16,750 will be Russians. Approximately 5,350 will be the recipients of technical training while 11,400 will participate in separate USIA exchange opportunities. Approximately 25 U.S./Russian relationships with educational institutions or professional associations will be fostered through the partnership program.

USAID-Financed Inputs

Life of Project (Est. by Percentage)

Training

100%

Tajikistan

TAJKISTAN

NATIONAL INCOME AND EXPENDITURES

Per Capita GNP in U.S.\$ (1992) 490

Government Budgetary Expenditures as % of GDP by Economic Type (1991)
Total Expend. 33.1% Current Expend. 32.2% Capital Expend. 0.9%

General Government Budget Balance in % of GDP (1992) -37.0%

INTERNATIONAL RESERVES AND EXTERNAL DEBT

Official International Reserves (\$ Millions, US) NA

External Public Debt as % of GDP () NA

Service Payments on External Debt ():
As % of Total Export Earnings NA

POPULATION

Total Population (Thousands, 1991) 5,342

Population Growth Rate:
(1985-90) 2.9 (1990-91) 2.1

Population (1990) By Age Group:
(0-14 yrs) 44.7% (15-64 yrs) 51.4% (65+ yrs) 3.9%

Total Fertility Rate (1985) 5.3 (1990) 5.0

HOUSEHOLD INCOME AND EMPLOYMENT

Income Share by Source as % of Total Household Income (1992)
Labor 68.7% Transfers 31.3%

Labor Force Participation Rate (1989)
Total 36.0 Male 41.9% Female 30.1%

Proportion of Labor Force in by Sector of Employment (1992)
Agriculture 44.8% Industry 20.5% Services 34.7%

EXTERNAL TRADE

Current Account Balance (\$ Millions, US) NA

Total Imports (\$ Millions, US) NA
Of Which % From U.S. () NA

Major Imports (1992): CHEMICALS, MACHINERY & TRANSPORT EQUIPMENT,
TEXTILES, FOODSTUFFS

Total Exports (\$ Millions, US) NA
Of Which % to U.S. () NA

Major Exports (1992): ALUMINUM, COTTON, FRUITS, VEGETABLE OIL,
TEXTILES

Trading Partners (1992): RUSSIA, KAZAKHSTAN, UKRAINE, UZBEKISTAN

AGRICULTURE

Agricultural Production as % of GDP (1991) NA

Shares of Gross Agricultural Production by Form of Ownership (1992)
Collective 40.1% State 29.9% Private Plot 26.7% Private Farm NA

HEALTH

Life Expectancy at Birth, in Years (1991) 69.4

Infant Deaths in First Yr of Life per 1000 Live Births (1990) 42.7

Percent of Children 12-23 Months Old Fully Immunized Against
Tuberculosis(BCG) 90.0% (1992) Measles 90.0% (1992)
Diphtheria(DPT3) 99.0% (1992) Polio(3) 99.0% (1992)

EDUCATION AND LITERACY

Total School Enrollment as Ratio of Population in Age Group (1990-91):
General Education Total 72% Female NA

Literacy Rate (1970) Male 100% Female 99%

TAJIKISTAN

PROGRAM OBLIGATION SUMMARY (in thousands of dollars)			
CATEGORY	FY 1993 (ACTUAL)	FY 1994 (ESTIMATED)	FY 1995 (PLANNED)
All accounts	\$7,465	\$17,912	\$9,150
TOTALS			

PERSONNEL DATA - MISSION DIRECT HIRE			
CATEGORY	FY 1993 (ACTUAL)	FY 1994 (ESTIMATED)	FY 1995 (PLANNED)
U.S. National			1
Foreign National			
TOTALS			1

Participant Training Data: TAJIKISTAN			
Participant Category	FY 1993 Actual	FY 1994 Estimated	FY 1995 Planned
US NET Project	3	126	20
USIA Exchanges	37	49	50
Other US Training	19	12	9
TOTAL	59	187	79

TAJIKISTAN

Introduction

Of the five Central Asian republics, Tajikistan has had the least success in managing the post-Soviet political and economic transition. The country is an isolated, mountainous land, still healing the wounds of civil war. Political instability and large numbers of displaced persons frustrate efforts at reform. U.S. interest in Tajikistan has been to alleviate human suffering and assist where possible with the beginnings of a reform process.

USAID Development Strategy and Accomplishments to Date

Tajikistan remains dependent on outsiders for its survival. The Russian Federation is the linchpin of its military and financial security, while Uzbekistan retains control over supplies and energy coming into the Republic. U.S. assistance to Tajikistan supports the principal objectives common to the New Independent States. Although efforts thus far focus mainly on humanitarian relief, health and exchanges and training, a foundation is being laid for the beginnings of a more long-term development program.

As a Central Asian republic, Tajikistan shares a common legacy of inadequate health services resulting in relatively high infant mortality. Accordingly, U.S. assistance has been given for maternal/child health and immunization.

The development effort with the largest potential impact is the exchanges and training program; under its auspices over 120 Tajiks will travel to the United States for training in fields as varied as health care finance, human rights and democratic development. U.S. relief organizations are also establishing effective delivery systems. For example in April 1994 over \$2 million in medicine and supplies were distributed to eight Tajik hospitals.

Other Donors

The United States collaborates very closely with the United Nations High Commissioner for Refugees (UNHCR) and International Committee of the Red Cross (ICRC) in implementing relief programs in Tajikistan. It also supports the activities of a number of non-governmental organizations (NGOs), including the Aga Khan Foundation, Relief International, Save the Children, Cooperative for American Relief Everywhere (CARE), and Mercy Corps.

FY 1995 Program

The Tajik Government is stabilizing its operations, and has indicated willingness to start political and economic reforms. As warranted, we will shift the balance of assistance from humanitarian to development. The actual FY 95 program will depend on continued review of progress toward reform. USAID is planning a program of \$9.2 million of FREEDOM Support Act funds for on-going projects. No new projects are planned.

Regional Mission Director: Craig Buck

PROJECT TITLE Special Initiatives		PROJECT NUMBER 110-001 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)			
FY 1995 7,150		LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998	

Purpose: To address emergency humanitarian concerns.

Project Description: During the FY 1992-94 period, the project provided medical support to victims of flooding for the prevention of disease. It provided food, mobile medical clinics and sanitation material to returning refugees, who had fled from areas affected by civil war. Food, fuel, medical and sanitation supplies were provided to the population living in the Pamir mountain region, during winter to help them cope without their regular sources of supply. Assistance was given to the Government of Tajikistan to build its capacity to handle relief operations.

During FY 1995, the project will continue humanitarian and transitional activities, through both PVOs and international organizations, in support of the estimated 500,000 returnees in such areas as: rehabilitation of sanitation facilities; very small-scale income generation activities; targeted supplemental feeding of the most vulnerable mothers and children; and, provision of essential medicines and basic medical services.

Sustainability: By attempting to ensure that returnees can reintegrate in their communities, the project aims to foster continuation of the national reconciliation process.

Relationship to USAID Strategy: The U.S. assistance strategy for Tajikistan posits emergency help as a high priority, and notes it will continue to receive the largest share of aid resources in the short term. Humanitarian relief programs over time can support reconstruction and development objectives, assuming a favorable political environment.

Host Country and Other Donors: Russia, the United States, and Germany are the largest bilateral donors. In addition, Tajikistan receives aid from U.S. voluntary agencies such as Save the Children, CARE, and the International Rescue Committee. All United Nations agencies are active in Tajikistan, as well as other international agencies such as the Aga Khan Foundation. U.S. relief aid is coordinated with other donors and appropriate Government of Tajikistan authorities; some of the assistance may be directed to international organization appeals for Tajikistan.

Beneficiaries: In Pamirs region: about 250,000 persons will receive food. About 300,000 civil war returnees will receive food. Non-food assistance will directly benefit some 80,000 persons.

Major Outputs: Improved health, medicine availability and sanitation in place for major concentrations of returnees; housing, schools and clinics rehabilitated; income generated through self-help and transitional activities.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

(Humanitarian Assistance)	
Technical Assistance	3%
Training	1%
Commodities	66%
Grants	30%

PROJECT TITLE Health Care Improvement		PROJECT NUMBER 110-004 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)			
FY 1995 550		LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1998	ESTIMATED PROJECT COMPLETION FY 1999	

Purpose: To support health care financing and service delivery reform; to strengthen disease control programs; to reduce high maternal and infant mortality; and, to improve health information and response capabilities.

Project Description: Activities to date include the initiation of both the Reproductive Health Services Expansion Program and the Health Care Financing and Service Delivery Reform Program.

In FY 1995, a Medical Partnership Program will be established, which will work to upgrade clinical skills and practices and develop management capabilities at all levels of service provision. Reproductive health care (including family planning) will focus on activities aimed at modernizing the sector, such as awareness activities to create a favorable political environment for improved services, strengthening institutional capacity to plan and deliver family health services, expanding the supply, mix and sources of contraceptives, training health care trainers and service providers and educating users. The Ministry of Health's capacity to plan, implement, and monitor immunization and disease control programs to promote vaccine self-reliance will be strengthened. Through the provision of long-term advisors and training, a program to improve communicable disease surveillance will be initiated. The Health Care Financing and Service Delivery Reform Program will introduce market-oriented incentives to improve health care through technical assistance and training. Environmental health training and assistance will be provided.

Sustainability: The emphasis of these activities is to find long lasting, socially and financially viable solutions to Tajikistan's health care and service delivery problems. Every attempt is being made to look for less costly, more efficient methods to obtain the high degree of health coverage that existed prior to the break up of the former Soviet Union.

Relationship to USAID Strategy: The activities of this project are directly related to the third Strategic Objective of the United States, namely to strengthen the capacity to manage the human dimension of the transition to democracy and a market economy, and to help sustain the neediest sectors of the population during the transition period.

Host Country and Other Donors: Tajikistan national and local government officials are cooperating with the health financing and service delivery, and the medical partnership. Through the Kyoto Declaration, WHO, UNICEF, Japan, the EU, Canada, and other major donors have developed a coordinating mechanism for vaccine-preventable disease assistance. Turkey has joined the U.S. in a joint program for the Central Asian Republics.

Beneficiaries: The immediate beneficiaries of this project are the health care providers who participate and their clients. The entire at risk populations in Tajikistan will also benefit from a more efficient, cost effective health care delivery system.

Major Outputs: Improved management and care delivery through the medical partnership; reduction in maternal mortality and fertility rates through improved reproductive health care; strengthened capacity for immunization, disease control and surveillance practices; improved efficiency and quality of services through an intensive health care reform program.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	65%
Training	15%
Commodities	10%
Grants	5%
Transfers 632(a) & (b)	5%

PROJECT TITLE Eurasia Foundation		PROJECT NUMBER 110-010 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)		
FY 1995* • Funding under NIS Regional	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1993	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To support economic reform, governmental reform and the nonprofit sector, and media and communications activities through an independent grant-making institution.

Project Description: The Foundation has awarded grants for activities in all of the New Independent States of the former Soviet Union (NIS). The grant activity in Tajikistan was in support of participant expenses for a conflict resolution conference organized by the Center for the Study of Central Asia, the Marrison Institute and the School of International and Public Affairs.

The Foundation will continue to award grants to U.S. and indigenous non-profit organizations such as sister cities programs, cooperating U.S. and NIS universities, technical institutes or hospitals, and traditional NGOs in need of strengthening. A new program in the for-profit sector will make recoverable grants or small loans, called Program Related Investments (PRIs). PRIs must be to organizations that fit within the Foundation's original purposes and be targeted at for-profit institutions. This could include support to indigenous publishers who desire to translate and publish important U.S. textbooks in economics, management or public administration.

Sustainability: It is estimated that for every dollar provided by the Foundation, two dollars is leveraged from the assisted entity. This demonstrates the commitment of the participating party or parties. Grants are only given to augment planned activities which show a high degree of existing involvement from NIS counterparts. Training in financial management and business planning are key elements to much of the Foundation's work to address the sustainability of supported activities.

Relationship to USAID Strategy: These grants are helping achieve each of the three U.S. assistance objectives in the New Independent States of the former Soviet Union by supporting activities to create a more competitive, market oriented economy, to provide more transparent and accountable governance through empowered citizens, and to redefine public and private sector roles in the management of social services. The grants also provide small-scale assistance not otherwise met by USAID.

Host Country and Other Donors: Each assisted entity utilizes its own resources, staff time and facilities as part of its contribution. The Foundation works with other U.S. groups to augment their efforts. The Tajikistan Government is not assisting activities at this time. The MacArthur and Soros Foundations are involved in similar types of grant making.

Beneficiaries: The immediate beneficiaries are the grantees and the people they serve. However, a stronger private sector, a more open and efficient public administration, and a better, freer press and media will benefit all citizens of the NIS.

Major Outputs: Outputs to be determined once the country program becomes more defined.

USAID-Financed Inputs

Life of Project (Est. by Percentage)

Commodities	15%
Grants	85%

PROJECT TITLE NIS Exchanges and Training		PROJECT NUMBER 110-012 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)		
FY 1995 500	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1993	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: This project funds U.S.-based exchanges and training (short- and long-term) to: 1) equip a broad base of current and future Tajikistan leaders and professionals with specialized skills, practical experiences and new attitudes needed to develop and support market-oriented economic systems and democratic governance; and, 2) build sustainable U.S.-Tajikistan personal contacts and institutional linkages to facilitate trade, investment, technology transfer and cooperation on global issues of mutual concern.

Project Description: In support of Tajikistan's transition towards participatory democracy and market economics, highly specialized training which complements and reinforces on-going technical assistance efforts is provided to reformers and emerging private sector leaders and professionals attempting to implement structural change. To the extent possible, U.S.-sponsored training programs are combined with one on one experience with U.S. practitioners or internships in U.S. public and private sector organizations and provide exposure to U.S. community-based activities, including the operations of federal, state and local governments and non-governmental organizations and cultural institutions. In-country programs provide training support to on-going sector assistance activities. Priority training areas for Tajikistan includes family health, macroeconomic policy development, tax policy, NGO development, media strengthening, energy, environment and private sector reform.

Sustainability: The nature of training suggests that the knowledge and skills gained will endure well beyond the length of training, allowing the recipient to draw upon newly-acquired skills for decision-making or problem solving purposes in response to immediate priority needs and long-term requirements. To this end, the aim of our training program is to create durable linkages between participants and individuals and/or institutions encountered during the time spent in the U.S. Maintaining linkages will reinforce the knowledge gained and new ways of thinking acquired through the training experience.

Relationship to USAID Strategy: Training has been a central theme in USAID's NIS Program since its inception. The sharing of U.S. experience and the provision of training in democratic principles and the management of a market economy are key elements of USAID's strategy for Tajikistan. This Project focusses on key sector issues which are also being addressed by our technical assistance programs in other projects.

Host Country and Other Donors: Host country contributions will be programmed as required. Project assistance will be coordinated with other donors as appropriate. USAID will also seek contributions from U.S. educational institutions to the maximum extent possible.

Beneficiaries: The direct beneficiaries of the project include the individuals and universities/training institutions receiving training opportunities. Indirect beneficiaries include citizens of Tajikistan who will enjoy the benefits of sustained institutional change.

Major Outputs: Approximately 150 Tajiks will be the recipients of U.S.-sponsored technical training while 135 will participate in separate USIA exchange opportunities.

USAID-Financed Inputs

Life of Project (Est. by Percentage)

Training

100%

TURKMENISTAN

NATIONAL INCOME AND EXPENDITURES

Per Capita GNP in U.S.\$ (1992) 1,230

Government Budgetary Expenditures as % of GDP by Economic Type (1991)

Total Expend. 40.2% Current Expend. NA Capital Expend. NA

General Government Budget Balance in % of GDP (1992) 14.1%

INTERNATIONAL RESERVES AND EXTERNAL DEBT

Official International Reserves (\$ Millions, US) NA

External Public Debt as % of GNP () NA

Service Payments on External Debt ():

As % of Total Export Earnings NA

POPULATION

Total Population (Thousands, 1991) 3,751

Population Growth Rate:

(1985-90) 2.5 (1990-91) 2.6

Population (1990) By Age Group:

(0-14 yrs) 41.3% (15-64 yrs) 54.7% (65+ yrs) 4.0%

Total Fertility Rate (1985) 4.6 (1990) 4.1

HOUSEHOLD INCOME AND EMPLOYMENT

Income Share by Source as % of Total Household Income (1992)

Labor 85.7% Transfers 14.3%

Labor Force Participation Rate (1989)

Total 40.6% Male 45.4% Female 35.9%

Proportion of Labor Force by Sector of Employment (1992)

Agriculture 42.4% Industry 20.8% Services 36.7%

EXTERNAL TRADE

Current Account Balance (\$ Millions, US) (1992) 195

Total Imports (\$ Millions, US) (1992) 4,415

Of Which % From U.S. (1992) NA

Major Imports (1992): MACHINERY & PARTS, PLASTICS & RUBBER,
CONSUMER DURABLES, TEXTILES

Total Exports (\$ Millions, US) (1992) 4,609

Of Which % to U.S. (1992) NA

Major Exports (1992): NATURAL GAS, OIL, CHEMICALS, COTTON, TEXTILES,
CARPETS

Trading Partners: RUSSIA, UKRAINE, UZBEKISTAN, & OUTSIDE OF CIS FOR
IMPORTS

AGRICULTURE

Agricultural Production as % of GDP (1991) NA

Shares of Gross Agricultural Production by Form of Ownership (1992)

Collective NA State NA Private Plot NA Private Farm NA

HEALTH

Life Expectancy at Birth, in Years (1991) 65.9

Infant Deaths in First Yr of Life per 1000 Live Births (1990) 53.1

Percent of Children 12-23 Months Old Fully Immunized Against

Tuberculosis(BCG) 97.0% (1992) Measles 76.0% (1992)

Diphtheria(DPT3) 82.0% (1992) Polio(3) 91.0% (1992)

EDUCATION AND LITERACY

Total School Enrollment as Ratio of Population in Age Group (1990-91):

General Education Total 73% Female NA

Literacy Rate (1970) Male 100% Female 100%

TURKMENISTAN

PROGRAM OBLIGATION SUMMARY (In thousands of dollars)			
CATEGORY	FY 1993 (ACTUAL)	FY 1994 (ESTIMATED)	FY 1995 (PLANNED)
All accounts	\$5,472	\$7,890	\$4,000
TOTALS			

PERSONNEL DATA - MISSION DIRECT HIRE			
CATEGORY	FY 1993 (ACTUAL)	FY 1994 (ESTIMATED)	FY 1995 (PLANNED)
U.S. National			
Foreign National			
TOTALS			

Participant Training Data: TURKMENISTAN			
Participant Category	FY 1993 Actual	FY 1994 Estimated	FY 1995 Planned
US NET Project	3	126	30
USIA Exchanges	37	44	80
Other US Training	19	12	14
TOTAL	59	182	124

TURKMENISTAN

Introduction

Turkmenistan is a land-locked desert country with a population of less than four million. Its agriculture is based on cotton mono-cropping of an over-exploited irrigation system. U.S. interest in Turkmenistan relates to its potential to become one of the world's largest exporters of natural gas, and indications of the presence of major petroleum reserves.

USAID Development Strategy and Accomplishments to Date

After two years of independence, Turkmenistan remains a discouraging monument to the economic mismanagement of the Soviet era, and to Stalinist cult-of-personality politics. U.S. assistance to Turkmenistan supports the principal objectives common to the New Independent States, though a lack of commitment to reform makes programming difficult. Efforts thus far focus mainly on exchanges, training, health, and the Aral Sea.

The special problems related to Aral Sea desiccation, a result of Soviet-era agricultural development patterns, are addressed through a potable water and a regional water management program. A reverse osmosis water treatment plant in Turkmenbashi district will be installed during FY 95.

Participant trainees have been identified in a number of areas, including budget management, banking and credit, health care finance, and maternal and child health care. Exposure to new technologies, approaches, and ways of doing business should enhance opportunities for reform in Turkmenistan.

Other Donors

Turkmenistan has not invited the World Bank to establish a consultative group donor coordination mechanism, in part because the country has few bilateral donors. In addition to its bilateral assistance, the United States contributes to a multilateral effort coordinated by the World Bank to address the problems of the Aral Sea basin. The United States has signed cooperative agreements covering all five Central Asian republics with Israel, to foster the development of agribusiness. A program of joint cooperation between the U.S. and Turkey provides four Central Asian countries, Kazakhstan, Uzbekistan, Turkmenistan and the Kyrgyz Republic with assistance to improve maternal and child health, at a level of \$7 million.

FY 1995 Program

The United States will continue to implement the Aral Sea program, and to support exchanges and training for Turkmen participants. USAID is planning a program of \$5 million of FREEDOM Support Act funds for on-going projects. No new projects are planned.

Regional Mission Director: Craig Buck

PROJECT TITLE Environment Policy and Technology		PROJECT NUMBER 110-003 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)		
FY 1995 3,000	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1993	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To alleviate human health risks associated with the lack of potable water in the Aral Sea basin, and to foster regional cooperation on water management issues. To reduce environmental threats to health from industrial and municipal sources.

Project Description: In October 1993, the U.S. Government announced \$15 million in assistance to the countries of Central Asia as the first part of a longer term effort to help alleviate environmental conditions and foster regional cooperation in the Aral Sea basin. Project design teams travelled to the region to identify specific interventions. Turkmen water management officials participated in the April 1994 Study Tour of western U.S. water control systems. Potable water project implementation began in June 1994. An environmental analysis of the Charjew petrochemical plant was conducted at the request of the Government of Turkmenistan.

During FY 1995, the project will focus on the efficient operation of a newly installed reverse osmosis plant in the Turkmenbashi district of Tashauz province which adjoins the Aral Sea. Public health education and laboratory support programs will be implemented through local health/sanitation organizations. Consideration will also be given to the installation of a second reverse osmosis plant in Tashauz province. Long term regional water resources management, cooperation and water policy reforms to solve the Aral Sea disaster will be top policy priority. The NGO strengthening program will be expanded to foster partnership between U.S. and Turkmen NGOs.

Sustainability: In the potable water program, primary emphasis is on training local operators and managers to maintain equipment and on introduction of improved sanitary practices. Pricing issues regarding potable water will be explored, to provide incentives for proper use and conservation of scarce potable water. The regional water management activity is aimed at system-wide sustainability through policy development regarding resource costing, allocation and conservation.

Relationship to USAID Strategy: The United States is participating in a major international effort aimed at alleviating human suffering caused by the ecological disaster from Soviet agricultural and water management practices in the Aral Sea region. U.S. assistance strategy emphasizes public and environmental health, potable water, and regional water management.

Host Country and Other Donors: The potable water program is coordinated at the national and local level on the basis of a Memorandum of Understanding, with local labor as the principal host country contribution. The United States has pledged a minimum of \$7 million in FY 95 funds for the first phase of the \$220 million World Bank-facilitated long term Central Asia Region program for the Aral Sea. The program will address potable water, engineering projects, and regional policy cooperation.

Beneficiaries: It is estimated that 400,000 persons in Turkmenbashi district will be the primary direct beneficiaries of clean water supplied by the reverse osmosis units. Turkmen water management organizations will also benefit from their participation in the regional water management activities.

Major Outputs: Efficient operation of the newly installed reverse osmosis plant in Turkmenbashi district and increased access to potable water; identification of major policy constraints to long term water resource management; health risk assessment of major urban and industrial facilities and introduction of low-cost measures to reduce pollution; increased public and NGO participation in environmental policy formation.

USAID-Financed Inputs:**Life of Project (Est. by Percentage)**

Technical Assistance	5%
Training	14%
Commodities	20%
Grants	8%
Transfers 632(a) & (b)	3%

PROJECT TITLE Eurasia Foundation		PROJECT NUMBER 110-010 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)		
FY 1995* • Funding under NIS Regional	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1993	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To support economic reform, governmental reform and the nonprofit sector, and media and communications activities through an independent grant-making institution.

Project Description: The Foundation has awarded grants for activities in all of the New Independent States of the former Soviet Union (NIS). The Foundation has not yet begun awarding grants in Turkmenistan.

In FY 1995, it is expected that the Foundation will begin awarding grants to U.S. and indigenous non-profit organizations such as sister cities programs, cooperating U.S. and NIS universities, technical institutes or hospitals, and traditional NGOs in need of strengthening. A new program in the for-profit sector will make recoverable grants or small loans, called Program Related Investments (PRIs). PRIs must be to organizations that fit within the Foundation's original purposes and be targeted at for-profit institutions. This could include support to indigenous publishers who desire to translate and publish important U.S. textbooks in economics, management or public administration.

Sustainability: It is estimated that for every dollar provided by the Foundation, two dollars is leveraged from the assisted entity. This demonstrates the commitment of the participating party or parties. Grants are only given to augment planned activities which show a high degree of existing involvement from NIS counterparts. Training in financial management and business planning are key elements to much of the Foundation's work to address the sustainability of supported activities.

Relationship to USAID Strategy: These grants are helping achieve each of the three U.S. assistance objectives in the New Independent States of the former Soviet Union by supporting activities to create a more competitive, market oriented economy, to provide more transparent and accountable governance through empowered citizens, and to redefine public and private sector roles in the management of social services. The grants also provide small-scale assistance - a need not otherwise met by USAID.

Host Country and Other Donors: Each assisted entity utilizes its own resources, staff time and facilities as part of its contribution. The Foundation works with other U.S. groups to augment their efforts in modest ways. The Turkmenistan Government is not assisting activities at this time. The MacArthur and Soros Foundations are involved in similar types of grant making.

Beneficiaries: The immediate beneficiaries are the grantees and the people they serve. However, a stronger private sector, a more open and efficient public administration, and a better, freer press and media will benefit all citizens of the NIS.

Major Outputs: Outputs to be determined once country program is defined.

USAID-Financed Inputs

Life of Project (Est. by Percentage)

Commodities	15%
Grants	85%

PROJECT TITLE NIS Exchanges and Training		PROJECT NUMBER 110-012 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)		
FY 1995 500	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1993	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: This project funds U.S.-based exchanges and training (short- and long-term) to 1) equip a broad base of current and future Turkmenistan leaders and professionals with specialized skills, practical experiences and new attitudes needed to develop and support market-oriented economic systems and democratic governance; and 2) build sustainable U.S.-Turkmenistan personal contacts and institutional linkages to facilitate trade, investment, technology transfer and cooperation on global issues of mutual concern.

Project Description: In support of Turkmenistan's transition towards participatory democracy and market economics, highly specialized training which complements and reinforces on-going technical assistance efforts is provided to reformers and emerging private sector leaders and professionals attempting to implement structural change. To the extent possible, U.S.-sponsored training programs are combined with one on one experience with U.S. practitioners or internships in U.S. public and private sector organizations and provide exposure to U.S. community-based activities, including the operations of federal, state and local governments and non-governmental organizations and cultural institutions. In-country programs provide training support to on-going sector assistance activities. Priority training areas for Turkmenistan includes family health, macroeconomic policy development, tax policy, NGO development, media strengthening, energy, environment and private sector reform.

Sustainability: The nature of training suggests that the knowledge and skills gained will endure well beyond the length of training, allowing the recipient to draw upon newly-acquired skills for decision-making or problem solving purposes in response to immediate priority needs and long-term requirements. To this end, the aim of our training program is to create durable linkages between participants and individuals and/or institutions encountered during the time spent in the U.S. Maintaining linkages will reinforce the knowledge gained and new ways of thinking acquired through the training experience.

Relationship to USAID Strategy: Training has been a central theme in USAID's NIS Program since its inception. The sharing of U.S. experience and the provision of training in democratic principles and the management of a market economy are key elements of USAID's strategy for Turkmenistan. This Project focusses on key sector issues which are also being addressed by our technical assistance programs in other projects.

Host Country and Other Donors: Host country contributions will be programmed as required. Project assistance will be coordinated with other donors as appropriate. USAID will also seek contributions from U.S. educational institutions to the maximum extent possible.

Beneficiaries: The direct beneficiaries of the project include the individuals and universities/training institutions receiving training opportunities. Indirect beneficiaries include citizens of Turkmenistan who will enjoy the benefits of sustained institutional change.

Major Outputs: Approximately 165 Turkmen will be the recipients of U.S.-sponsored technical training while another 155 will participate in separate USIA exchange opportunities.

USAID-Financed Inputs

Life of Project (Est. by Percentage)

Training

100%

UKRAINE

NATIONAL INCOME AND EXPENDITURES

Per Capita GNP in U.S.\$ (1992) 1,820

Government Budgetary Expenditures as % of GDP by Economic Type (1991)

Total Expend. 33.1% Current Expend. 29.8% Capital Expend. 3.3%

General Government Budget Balance in % of GDP (1992) -28.7%

INTERNATIONAL RESERVES AND EXTERNAL DEBT

Official International Reserves (\$ Millions, US) NA

External Public Debt as % of GDP () NA

Service Payments on External Debt (1993):

As % of Total Export Earnings 1.91%

POPULATION

Total Population (Thousands, 1991) 51,944

Population Growth Rate:

(1985-90) 0.4% (1990-91) 0.2%

Population (1990) By Age Group:

(0-14 yrs) 21.4% (15-64 yrs) 65.1% (65+ yrs) 13.5%

Total Fertility Rate (1985) 2.1 (1990) 2.1

HOUSEHOLD INCOME AND EMPLOYMENT

Income Share by Source as % of Total Household Income

Labor 77.4% Transfers 22.6%

Labor Force Participation Rate (1989)

Total 50.4% Male 55.8% Female 45.7%

Proportion of Labor Force by Sector of Employment (1992)

Agriculture 20.8% Industry 38.8% Services 40.4%

EXTERNAL TRADE

Current Account Balance (\$ Millions, US) NA

Total Imports (\$ Millions, US) NA

Of Which % From U.S. () NA

Major Imports (1990): MACHINERY & PARTS, TRANSPORTATION EQUIPMENT, CHEMICALS, TEXTILES

Total Exports (\$ Millions, US) NA

Of Which % to U.S. () NA

Major Exports (1990) COAL, ELECTRIC POWER, METALS, CHEMICALS, MACHINERY & TRANSPORT EQUIPMENT, GRAIN, MEAT

Trading Partners: NA

AGRICULTURE

Agricultural Production as % of GDP (1991) NA

Shares of Gross Agricultural Production by Form of Ownership (1992)

Collective NA State NA Private Plot NA Private Farm NA

HEALTH

Life Expectancy at Birth, in Years (1991) 72.7

Infant Deaths in First Yr of Life per 1000 Live Births (1990) 12.9

Percent of Children 12-23 Months Old Fully Immunized Against

Tuberculosis(BCG) 93.0% (1992) Measles 90.0% (1992)

Diphtheria(DPT3) 88.0% (1992) Polio(3) 89.0% (1992)

EDUCATION AND LITERACY

Total School Enrollment as Ratio of Population in Age Group (1990-91):

General Education Total 65% Female NA

Literacy Rate (1970) Male 100% Female 100%

UKRAINE

PROGRAM OBLIGATION SUMMARY (In thousands of dollars)			
CATEGORY	FY 1993 (ACTUAL)	FY 1994* (ESTIMATED)	FY 1995 (PLANNED)
All accounts	\$57,512	\$221,665	\$100,000
TOTALS			

PERSONNEL DATA - MISSION DIRECT HIRE			
CATEGORY	FY 1993 (ACTUAL)	FY 1994 (ESTIMATED)	FY 1995 (PLANNED)
U.S. National	6	10	13
Foreign National			
TOTALS	6	10	13

Participant Training Data: UKRAINE			
Participant Category	FY 1993 Actual	FY 1994 Estimated	FY 1995 Planned
US NET Project	37	760	390
USIA Exchanges	525	680	850
Other US Training	74	249	164
TOTAL	636	1,689	1,404

- In addition to this amount, the U.S. will also provide assistance through USDA, OPIC and the Department of Defence hospital program for a total FY 1994 U.S. economic assistance package of \$350 million. An additional \$350 million in military/nuclear disarmament assistance was also pledged to Ukraine in FY 1994.

UKRAINE

Introduction

The United States has an abiding interest in a stable, independent, democratic, and prosperous Ukraine. In partnership with the Ukraine, our assistance is targeted at crucial elements to support the economic and political transition. As with any partnership the nature and level of the support provided must reflect actual implementation of reform and the evolving political events.

USAID Development Strategy and Accomplishments to Date

On January 28, 1994 a Joint Statement announced by Ukraine and the United States established an agreement to expand bilateral economic and commercial operation. An Annex to the Joint Statement outlined the United States' commitment to work with Ukraine in partnership on its economic reform agenda and described four areas of focus for US bilateral assistance to Ukraine. Three of these areas coincide with the strategic objectives associated with funding under the Freedom Support Act: 1) establishment of a market economy, 2) transition to democratic governance, and, 3) support for Ukrainian capacity to provide social services.

USAID assistance has supported the Ukraine as it take critical steps toward economic reform, particularly privatization, de-monopolization, decentralization, rationalization of energy use and creation of market institutions. A full program on mass privatization has been developed and the legal documents needed to implement the program have been drafted. An Enterprise Fund for the Western NIS will open its offices in the region in the Fall of 1994 to support private investment in the region. Computer equipment is being procured for the National Bank of Ukraine to establish an efficient clearing and settlement system. Hundreds of Ukrainian professionals have been sent to the U.S. for training in economics and institution building. Assistance in the power sector has started to deal with efficiency issues in industry and residential buildings.

The democratic reform strategic objective has been supported through regional seminars related to political party development. Also, critical support was provided to the Ukraine Electoral Commission for the recently held parliamentary and presidential elections, that have been successfully carried out. The Congressional Research Service has worked with the parliament to set up research and reference services, while a separate activity started to assist working groups with budgeting and consensus building. A Rule of Law program was established to train judges, create a legal database and strengthen law school curriculum.

In the area of social service provision, USAID has supported training, technical assistance and pilot efforts to improve the quality of services of public and private entities alike. Small business privatization was one activity designed to affect how services were provided. Essential medicines and medical supplies were provided, including a large stock of needed insulin and 7 million doses of adult diphtheria vaccines. Medical partnerships have been formed with several hospitals in Kiev. Agreements were signed in Lviv, Ternopyl and Karkiv for resident advisors on municipal and financial management.

Other Donors

USAID works closely with other donors, especially the World Bank in implementing various programs in Ukraine specifically in the power sector restructuring program. As of September 1994, the International Monetary Fund (IMF) is in the process of negotiating a systemic transformation facility with Ukraine. USAID also works very closely with local counterpart organizations and agencies at all levels of government and non-government.

FY 1995 Program

Progress on the mass privatization program is at a critical stage where the Executive and Parliamentary branches of government are attempting to work out the last elements of how to proceed. Ukraine's success in implementing an aggressive market reform program will be critical to the effectiveness of U.S. assistance. Assistance would move forward with a firm commitment to implement the mass privatization program. Other support to the economic restructuring effort will also be affected by the pace of reform.

The Western NIS Enterprise Fund is a major initiative for the USAID program in Ukraine. To secure investments by the Fund, the challenge for Ukraine is to create and sustain an environment for viable business opportunities. USAID expects to be an integral part of the electricity sector restructuring and demonopolization. The U.S. will also contribute toward multilateral efforts for the deactivation of the Chernobyl nuclear power plant.

Assistance will continue in the areas of transition to democratic governance through supporting the establishment of a democratic legal framework and the rule of law, training of judges, parliamentarians and political parties. A full partnership between the Ohio Supreme Court and the Ukraine's Supreme Arbitration Court will be finalized in FY 1995. The National Democratic Institute and the International Republican Institute will conduct in-country, regionally based programs for political party development. Cooperation with the Ukrainian parliament will be intensified through the Congressional Research Service and Indiana University.

The two year humanitarian health assistance activity will continue with emphasis on the eradication of the diphtheria epidemic through the mass immunization of 11 million adults; the supply of insulin to 6,000 insulin dependent juveniles; and the reduction of incidence of hepatitis B among the 800,000 Ukrainian health workers. The incidence of hepatitis B is to be controlled through the introduction of universal precautions and health education in the handling of potentially contaminated blood. A bi-product of this effort will be the reduction of incidence of Human immunodeficiency virus (HIV) among these same health workers. Medical commodities will be combined with technical assistance to help relieve drastic shortages of medicines and train Ukrainian health workers in accepted standards of pharmaceutical management. Funds have also been set aside under the Health Care Project to begin a new family planning initiative.

In FY 1995 USAID is planning a program of \$ 100 million in the Ukraine. In addition, \$50 million has been set aside in an NIS-wide performance fund that will enable USAID to respond rapidly to reform initiatives in Ukraine.

Mission Director: Terrence McMahon

PROJECT TITLE Special Initiatives		PROJECT NUMBER 110-001 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)			
FY 1995 2,000		LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998	

Purpose: To address emergency humanitarian concerns.

Project Description: The spread of communicable diseases in children was prevented through the provision of measles vaccine in FY 1992-1993, and in FY 1994 through a program to address the diphtheria epidemic that is rampant in Ukraine. Smaller efforts included the provision of insulin to diabetic children and support for Ukraine's efforts to recover from the July 1993 flood.

In FY 1995, the mass inoculation of the adult population will continue in an effort to control the diphtheria epidemic along with a program to provide a reliable supply of insulin to insulin dependent juveniles and the introduction of universal precautions in the handling of potentially contaminated blood. Training of Ukrainian health workers in preventive measures against the spread of hepatitis B virus will begin.

Sustainability: The second phase of the health assistance activity will be aimed at facilitating the development of policies that foster local private sector production of basic health commodities (e.g., vaccines, pharmaceuticals, medical devices). As part of this strategy for promoting long-term sustainability, joint ventures with U.S. pharmaceutical manufacturers will be explored as well.

Relationship to USAID Strategy: The third objective of U.S. assistance strategy for Ukraine is to strengthen its capacity to manage the human dimension of the transition to democracy and a market economy. Under this objective, an immediate need for humanitarian assistance, particularly in the health sector, has been identified. Supply of short-term, critically needed vaccines and other emergency pharmaceuticals is featured.

Host Country and Other Donors: The Ministry of Health is the primary Ukrainian government counterpart. The emergency program is coordinated with the United Nations and other donors, particularly Canada.

Beneficiaries: Control of the diphtheria epidemic directly benefits 11,000,000 adults, but ultimately impacts on the entire Ukrainian population. 6,000 juveniles will receive insulin. 206,000 health care workers will benefit from the universal precautions.

Major Outputs: Declining prevalence of diphtheria through nation-wide vaccination campaign with target of 11,000,000 persons vaccinated.

USAID-Financed Inputs:
(Humanitarian Assistance)

Life of Project (Est. by Percentage)

Technical Assistance	3%
Training	1%
Commodities	66%
Grants	30%

PROJECT TITLE Energy Efficiency and Market Reform		PROJECT NUMBER 110-002 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)		
FY 1995 30,000	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To support restructuring of the energy sector, with increased availability of domestic energy sources, through: 1) power sector restructuring and management improvement; 2) improvement in efficiency with emphasis on the power, industrial and residential sectors; and, 3) improved domestic energy resource development and use.

Project Description: In prior years, the project addressed energy sector restructuring, including a framework for attracting investments in refineries and oil/gas exploration; efficiency improvements in of Kiev No. 5 power plant; district heating system efficiency analysis and demonstrations; a utility partnership program; coal mine safety improvement; and nuclear power plant fire safety improvement and operator training. During FY 95, the project will focus on:

- Helping establish a national regulatory commission and establishing electricity tariff methodologies.
- Establishing commercial electricity generation and distribution companies.
- Improving the efficiency of district heating and electric power plants, and the management of electric utilities.
- Implementing demand side management demonstration programs at one or two electricity distribution companies.
- Supporting the creation of an energy efficiency services capability in the private sector.
- Demonstrating improved residential/commercial building energy efficiency through equipment and management analysis.
- Improving utility capacity to use domestic coal in an environmentally sound manner, and helping improve coal quality.
- Continuing multilateral efforts on improving nuclear power plant safety and the deactivation of Chernobyl.

Sustainability: Power sector restructuring is oriented toward a decentralized competitive economic system that will provide incentives for sustainable production and use of electric power. Tariff reform will lay the foundation for economically sustainable tariff setting and collection practices. Training and the provision of efficiency equipment will help sustain efficiency practices.

Relationship to USAID Strategy: The assistance strategy for the Ukraine calls for improving local capacity to assess energy efficiency problems, and for demonstration projects which can lead to national solutions. The project activities are designed to support this objective, part of a broader policy to foster the emergence of a market-oriented economy.

Host Country and Other Donors: On May 21, 1994, then-President Kravchuk issued a decree calling for the creation of a decentralized, competitive power system operated on principles consistent with trends/practices in Western countries. This policy has been endorsed by the new government and USAID supports it through coordination of its project activities with the Ministry of Energy, and with other major donors, such as World Bank, EBRD, Holland, the United Kingdom, and Switzerland. The overall energy sector restructuring effort is being coordinated by the World Bank.

Beneficiaries: Staff and leadership of participating Ukrainian energy institutions are primary direct beneficiaries. Consumers of electricity, industrial users of energy, and utilities will benefit from more reliable supplies as efficiency and domestic resource initiatives bear fruit.

Major Outputs: Functioning regulatory agency established; revised electricity tariff regime in place; electricity generation and distribution companies established and operating in a competitive electricity market; high-profile demonstrations conducted in select buildings and industries to illustrate savings which can be obtained from efficiency measures; identification of improved coal preparation methodology; and, enhanced operational safety of nuclear power plants and deactivation of Chernobyl initiated.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	40%
Training	5%
Commodities	5%
Grants	10%
Transfers 632 (a) & (b)	40%

PROJECT TITLE Environment Policy and Technology		PROJECT NUMBER 110-003 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)			
FY 1995 5,000		LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1993	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998	

Purpose: To reduce health threats from industrial and municipal discharges; to strengthen institutions at national and local levels to more effectively assess, regulate and mitigate environmental pollution from multiple sources; and, to support water quality management in the Dnipro River basin.

Project Description: In prior years, the project performed environmental health risk assessments to determine which pollution-caused risks should have priority attention; cooperation was extended to a multi-donor water quality survey of the southern Dnipro river basin; and a survey of current environmental laws, regulations and policies was conducted as a baseline for institution-building efforts in FY 1995. Also, through support to environmental NGOs, widespread distribution of public information on environmental hazards was provided.

During FY 1995, the project will focus on: follow-up pollution minimization activities to assessments performed in the prior year, possibly including installation of pollution reduction equipment, treatment measures, and process modification equipment. Industrial sector, for example metal working, reduction strategies may be explored and tested; institution building within government to strengthen policy formulation in the context of economic restructuring, as well as incorporation of Western standards for contaminant classification, waste management prioritization, and measurement methodologies; collaborative work with the Dnipro River Commission to support water quality improvement actions; and, expansion of the NGO strengthening program to include a U.S.-Ukraine partnership for NGOs.

Sustainability: All activities to be supported under the project are selected in part for their potential as multipliers and/or replication. Ministry/Commission strengthening is aimed at creating long term capacity increases to permit sustained, effective attention to pollution monitoring, regulation, and mitigation.

Relationship to USAID Strategy: The need for responsible environmental and natural resource practices cuts across the three objectives for U.S. assistance to Ukraine, which are fostering of a market-oriented economy, support for transition to accountable governance, and managing the human dimension of the transition. Current environmental practices and resource use policies, if continued, will exact a high price in undermining democratic and economic reform. At the same time, it is imperative that environmental management at all levels be restructured toward the conditions of an economy moving to market conditions in order to establish rational natural resource management practices.

Host Country and Other Donors: The project is coordinated with the Ministries of Environment and Economy. The World Bank, EBRD and European Union countries are the main other donors; Canada has joined in support of the Dnipro River Commission. Regular consultation also occurs with the multidonor task force for the implementation of the Environmental Action Program for Central and Eastern Europe.

Beneficiaries: Local government and industrial organizations. Affected populations near major industrial sites.

Major Outputs: Three audits of major industrial complexes, including installation of pollution control equipment; industrial effluent and waste-water treatment plants identified for upgrades under the Dnipro River Commission; analysis of policy, legal and regulatory reform options incorporating western standards for contaminant classification and a market incentive/disincentive system provided to national ministries and local authorities; increased NGO participation in environmental policy.

USAID-Financed Inputs:**Life of Project (Est. by Percentage)**

Technical Assistance	55%
Training	14%
Commodities	20%
Grants	8%
Transfers 632(a) & (b)	3%

PROJECT TITLE Health Care Improvement		PROJECT NUMBER 110-004 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)		
FY 1995 6,500	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1998	ESTIMATED PROJECT COMPLETION FY 1999

Purpose: To support health care financing and service delivery reform; to increase the availability of high-quality pharmaceuticals and medical commodities; and, to support women's reproductive health initiatives.

Project Description: Activities to date include training health care officials and providers abroad and establishment of four medical partnerships between U.S. health care providers and counterpart institutions in three Ukraine cities.

In FY 1995, the Medical Partnerships Program will work to upgrade clinical skills and practices, develop management capabilities at all levels of service provision and improve the nursing profession. Health care financing and service delivery reform activities will introduce market-oriented reforms to improve the financing, quality, efficiency and sustainability of health care. Rapid response capabilities to support health reform activities will include short- and long-term technical assistance in health finance, insurance, and quality assurance; training; upgrading Management Information Systems to track program progress; administering a competitive small grants program in two sites to test innovative pilot activities and assist local and national health officials redefine finance and service delivery roles. The Food and Drug Administration will assist in the negotiation of a Memorandum of Understanding (MOU) concerning the registration and approval of vaccines and pharmaceuticals. Technical assistance and training in rational pharmaceutical management will continue in order to help address the critical issue of the lack of medical commodities (e.g., procurement, planning, and production efforts). Activities to improve women's reproductive health care, including family planning, will be initiated.

Sustainability: The emphasis of these activities is to find long lasting, socially and financially viable solutions to Ukraine's health care and service delivery problems. Every attempt is being made to look for less costly, more efficient methods to obtain the high degree of health coverage that existed prior to the break up of the former Soviet Union.

Relationship to USAID Strategy: The activities of this project are directly related to the third Strategic Objective of the US, namely to strengthen the capacity to manage the human dimension of the transition to democracy and a market economy, and to help sustain the neediest sectors of the population during the transition period.

Host Country and Other Donors: Ukraine national and local government officials are cooperating with the health financing and service delivery, pharmaceutical management activities, and the medical partnerships.

Beneficiaries: The immediate beneficiaries of this project are the health care providers who participate and their clients. The entire at-risk populations in the Ukraine will also benefit from a more efficient, cost effective health care delivery system.

Major Outputs: Improved efficiency and quality of services, leading to sustainability, through intensive health care reform activities initiated at two sites; improved access to health information through the health surveillance and monitoring system; improved management and care delivery at participating facilities in three cities through the medical partnership; improved procurement and distribution of pharmaceuticals; reduction in maternal mortality.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	65%
Training	15%
Commodities	10%
Grants	5%
Transfers 632(a) & (b)	5%

PROJECT TITLE Private Sector Initiatives		PROJECT NUMBER 110-005 [X] GRANT [] LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)		
FY 1995 20,700	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To create a business environment that is transparent, fair and predictable and results in foreign/domestic investment.

Project Description: Pilot efforts in small scale privatization and corporatization/privatization of medium to large enterprises were undertaken but not sustained because of complexities in the government's policy, including leasing arrangements, dematerialized certificates, lengthy preparation times and lack of standard practices. In February 1994, a Memorandum of Understanding was signed between the donors and the government that outlined an improved program which the donors could support. This was followed by a second MOU in May 1994 that outlined resolution to three outstanding issues: share allocation, bid pricing and enterprise preparation that will ensure a steady stream of enterprises for privatization and broad popular participation. The government has not yet accepted these recommendations. During FY 1995, the project will address these principal actions, on the assumption that Ukrainian government agreement and commitment are obtained for a workable mass privatization program: 1) Initiation of a program to develop a modern capital markets system at the same time that a mass privatization of medium and large-scale enterprises is launched; 2) Development of a supporting legal and regulatory framework; and, 3) Assistance in establishing appropriate enforcement organizations. Separately, a NEWBIZNET program will be initiated to create business associations and service centers in three cities which will provide technical assistance and information services related to trade opportunities in the West. IESC will continue providing volunteers to requesting firms.

Sustainability: The project aims to develop legal and regulatory processes which complement the major privatization actions, to ensure that enterprises, once privatized, are commercially viable. SEC-like capital markets enforcement mechanisms will protect the rights of shareholders. A balance between private and public management will be sought, by emphasizing self-regulation on the U.S. model. A capital market clearing and settlement function will be promoted, so that enterprises can raise money for retooling and expansion. Land markets will be fostered, to create long term stability in property transactions as a foundation for investment in commercial, residential and agricultural enterprises. A local business support network will assist business development and lobby to improve the business environment. Lastly, public education will be deployed to assist certificate and share holders to understand and to act upon their rights and responsibilities. While our programs focus on providing sustainable results, the outcome will depend upon decisions made and actions taken by the Ukrainians.

Relationship to USAID Strategy: The project directly addresses the first objective of the U.S. assistance strategy for Ukraine, which is to foster the emergence of a competitive, market-oriented economy in which the major of economic resources are privately owned and managed. The aim is to help Ukraine work through the critical next steps in its economic reform, particularly privatization, demonopolization, private business development and creation of market institutions.

Host Country and Other Donors: The project is coordinated with the State Property Fund which reports to the Ukrainian Parliament. Other principal donors supporting privatization are the World Bank/IBRD, the United Kingdom and Germany.

Beneficiaries: Primary direct beneficiaries are certificate/shareholders, who will own the bulk of Ukraine's industry, and small business operators working with the NEWBIZNET centers. Participants in private sector economic activities, and the population at large, will benefit from better quality, more widely available goods and services. Domestic and foreign investors will benefit from an improved business environment that opens a vast, largely untapped market.

Major Outputs: Privatization of at least 8,000 medium/large scale enterprises and 20,000 small-scale enterprises; independent broker/dealer network established; capability in place to monitor investment funds and emerging financial intermediaries; approximately three (3) Business Service Centers operational and trade opportunity links established; and, increased trade and investment in the private sector directly attributable to NEWBIZNET activities.

USAID-Financed Inputs:

Technical Assistance
Training
Commodities
Grants

Life of Project (Est. by Percentage)

55%
5%
38%
2%

PROJECT TITLE Democratic Pluralism Initiative		PROJECT NUMBER 110-007 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)		
FY 1995 10,000	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To support Ukraine's transition to democracy through development of the rule of law, independent media, electoral and political processes, civil society and enhanced public administration, particularly at the local level.

Project Description: Activities to date have included: electoral support at the national and local levels, political party and independent trade union development, support for the Central Election Commission, support to independent media groups, technical assistance to cities in municipal finance and management, development of indigenous non-governmental institutions through partnerships with U.S. NGO/PVOs; and judicial training and commercial and criminal law drafting.

Democratic pluralism activities planned for Ukraine during FY 1995 are as follows: 1) the Rule of Law consortium, the American Bar Association, the Congressional Research Service, the Ohio Supreme Court and Indiana University will focus on the professional development of the parliament, including legislative research, committee processes and structure; developing indigenous bar associations; establishing independent judiciary; continuing legal education programs; developing law school curriculum and management; and providing general legal assistance including drafting of commercial, crime, and corruption laws; 2) under Political Process development, USAID grantees will train political parties, civic groups and parliamentary groups in coalition building, media and organizational skills; provide technical assistance to the Central Election Commission and local commissions in applying electoral laws, regulations, standards and voter education; and provide technical assistance and training to encourage the growth of independent trade unions; 3) support to the Kiev Media Center will allow them to offer training and technical assistance to independent television, radio stations and the print media; 4) under Civil Society development, USAID grantees will strengthen civil society and indigenous NGO capacity in targeted geographic regions through technical assistance, training, small grants, and reduce legal constraints to NGO development; and, 5) the Public Administration program will improve financial practices, strengthen management, increase transparency, accountability and predictability of public administration by providing technical assistance, training and computer hardware and software to city governments in Lviv, Kharkiv, Ternopil and an additional Crimean city.

Sustainability: The program is designed to ensure that by the end of USAID's support, the assisted institutions and processes will be sustainable with indigenous resources and commitments.

Relationship to USAID Strategy: Support for Ukrainian democratization is one of the U.S. Government's highest priorities.

Host Country and Other Donors: Ukrainian organizations are providing staff, office space and budget support to the activities under this Project. NED, Soros, Rockefeller, Carnegie and MacArthur Foundations are also active in this area.

Beneficiaries: Direct beneficiaries are a trained judicial and election officials, media specialists, leadership and staff of participating city governments and NGO participants. All Ukrainians will ultimately benefit from a more informed, democratic, pluralistic and civil society.

Major Outputs: More efficient and informed legislative and legal processes; strengthened legal and judicial infrastructure, improved criminal justice reform; independent media groups better trained and more financially viable; strengthened political parties; more independent labor unions organized; NGO operations expanded and strengthened; improved management of financial practices of city governments; improved services to city residents; judicial partnership with the Ohio Supreme Court established.

USAID-Financed Inputs:

Technical Assistance
Training
Commodities
Grants
Transfers 632(a) & (b)

Life of Project (Est. by Percentage)

30%
30%
20%
13%
7%

PROJECT TITLE Housing		PROJECT NUMBER 110-008 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)			
FY 1995 4,000		LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998	

Purpose: To create private urban land and real estate markets.

Project Description: In November 1992, an MOU was signed with key counterparts in the GOU. Sub national MOUs exist with four cities. Since 1992, the program has worked with reform-minded local government leaders and select national reformers to create private land and real estate markets and to redefine the role of government as it relates to private owners and markets. Joint efforts have drafted a new set of national laws for private land ownership; developed and successfully tested at the municipal level a methodology for local land auctions; drafted a national condominium ownership law and assisted at the municipal level the first associations of homeowners; drafted a decree on market pricing of municipal services and is implementing local pilots; assisted in design and operation of competition and award of contracts for first private sector management and maintenance of municipal real estate; produced training material and organized training in market concepts for over 500 participants. The national and local level government is highly supportive of project efforts.

In FY 1995, priority objectives include: expanding initiatives to a critical mass of geographically representative local governments (12 cities); transferring technical methodologies and management to counterparts; training trainers and equipping the media to sustain a public education and information campaign; and, continued work on key national legislation for private land and real estate ownership and new focus on national housing policy and finance systems.

Sustainability: The project functions as a partnership between national and local government where the national efforts create a framework of legislation and regulation that supports local reform and privatization activities. Local pilot projects test and showcase methodologies for implementation and influence changes in national policy and law. A principal objective is to develop local capacity in order to ensure sustainability.

Relationship to USAID Strategy: The project addresses the third objective of U.S. assistance for Ukraine which is to strengthen its capacity to manage the human dimension of the transition to democracy and a market economy. This activity helps ameliorate the human costs of the transition by guiding national and local efforts to target subsidies on those most in need while implementing market pricing nationally of housing and communal services.

Host Country and Other Donors: The project is coordinated with the Ministry of Finance, the State Committee for City Development and Architecture, the State Committee for Land Resources, the State Committee for Housing and Communal Services and implemented with various city officials. There are no other donors active in this sector at this time.

Beneficiaries: Ukrainians seeking land and housing ownership; residents of state, municipal and enterprise owned housing; real estate industry including land developers; commercial and residential users of municipal services, local business communities; parliament and executive bodies of national government.

Major Outputs: Widespread use of land auctions method and testing of tender approach; draft national housing policy; testing and selective implementation of market pricing of communal services; widespread use of condominium ownership, private management and maintenance methods for private real estate; core group of Ukrainians experienced in principal methodologies for supporting land and real estate markets.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	38%
Training	5%
Commodities	57%*

*Includes construction and voucher costs for Russian Officer Resettlement Program (56%)

PROJECT TITLE Economic Restructuring and Financial Reform		PROJECT NUMBER 110-009 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)		
FY 1995 5,000	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To help institute fiscal and monetary reform at the legislative, regulatory, and operational level consistent with Ukraine's commitment to establish a market-oriented economy founded on democratic principles.

Project Description: In FY 1993, USAID engaged in a detailed analysis of Ukraine's financial sector, working closely with the IMF and the World Bank, while advisory services arranged through the U.S. Treasury Department treated macroeconomic issues. A program of key financial sector reforms has been under negotiation since then. In FY 1994, a commercial banker training program was initiated. Technical assistance to the Central Bank in banking supervision and for the improvement of the electronic payments system were also provided. Technical assistance has also been provided to the Anti-Monopoly Committee.

During FY 1995, the project will focus on the following actions:

- Support for development of responsible fiscal management relations between central and local government units, the so-called 'fiscal federalism' concept.
- Provision of advisory assistance in tax administration and revenue policy.
- Assistance to the Central Bank, to strengthen its capacity for supervising commercial bank operations.
- Continued support for the private sector Ukrainian bankers' association, to enable that organization to continue to train its members in market-based banking procedures.
- Assistance with accession to GATT and other trade related activities.

Sustainability: Institutional development is central to this project; a primary intent is creation of an analytical capacity for fiscal and monetary policy formation needed to undergird the long term transformation of the Ukrainian economy. Assistance is provided through interaction with Ukrainian counterparts. At activity termination in 1997, it is expected that each organization which has received USAID help will have a self-sustaining core of competent professionals. While our program focusses on providing sustainable results, the outcome will depend upon decisions made and actions taken by the Ukrainians.

Relationship to USAID Strategy: This project directly addresses the objective of fostering the emergence of a competitive market-oriented economy. It will provide support for the development of viable financial sector and macroeconomic policies, with particular attention being given to requests to help improve fiscal administration and trade policy. U.S. assistance in this area is conditioned on demonstrated Ukrainian commitment to fundamental reform.

Host Country and Other Donors: Activities under this project are conducted in full coordination with Ukrainian government entities. Fiscal and monetary policy advice is closely coordinated with the International Monetary Fund and World Bank to ensure consistency in major donor approaches in these critical macroeconomic policy areas.

Beneficiaries: The population at large are the main beneficiaries of this project, as it will help the government to control inflation and institute policies which will speed the restructuring process and provide greater opportunities for all citizens in the context of economic security. Government entities responsible for monetary and fiscal policy are the direct beneficiaries of U.S. assistance.

Major Outputs: Establishment of the necessary trade regime for accession to GATT; the Ukraine banker training facilitate will provide programs for 6,000 students; new equipment for the Central Bank's electronic payments system will come on line and reduce the processing time for financial payments to less than three days; increased capability of the Anti-monopoly Committee; the Central Bank to conduct initial audits of commercial bank loan portfolios.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	64%
Training	15%
Commodities	2%
Grants	7%
Transfers 632(a) & (b)	12%

PROJECT TITLE Eurasia Foundation		PROJECT NUMBER 110-010 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)		
FY 1995* • Funding under NIS Regional	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1993	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To support economic reform, governmental reform and the nonprofit sector, and media and communications activities through an independent grant-making institution.

Project Description: The Foundation has awarded grants for activities in all of the New Independent States of the former Soviet Union (NIS). The grant activities in Ukraine include: Freedom House and a local partner supporting parliamentary election activities; Women of the World election process training; US-Ukraine Foundation support of information programs of the Pylyp Orlyk Institute in Kiev; attendance at a conference sponsored by the Foundation for a Civil Society; establishment of an information system by the Project on Economic Reform in Ukraine to help policy makers; Columbia University Libraries provided textbooks on management, economics, and other social sciences; East-West TV is documenting the experience of NIS participants in American exchanges; and, participation in other multi-countries grant programs.

The Foundation will continue to award grants to U.S. and indigenous non-profit organizations such as sister cities programs, cooperating U.S. and NIS universities, technical institutes, business center, and traditional NGOs in need of strengthening. A new program in the private sector will make recoverable grants or small loans, called Program Related Investments (PRIs). PRIs must be to organizations that fit within the Foundation's original purposes and will be targeted at for-profit institutions. This could include indigenous publishers who desire to translate and publish important U.S. textbooks in economics, management or public administration.

Sustainability: It is estimated that for every dollar provided by the Foundation, two dollars is leveraged from the assisted entity. This demonstrated the commitment of the participating party or parties. Grants are only given for new activities to augment planned activities which show a high degree of existing involvement from NIS counterparts. Training in financial management and business planning are key elements to much of the Foundation's work to address the sustainability of supported activities.

Relationship to USAID Strategy: These grants are helping to achieve each of the three U.S. assistance objectives in the New Independent States of the former Soviet Union by supporting activities to create a more competitive, efficient, market oriented economy, to provide more transparent and accountable governance through empowered citizens, and to redefine public and private sector roles in the management of social services. The grants also provide small scale assistance - a need not otherwise met by USAID.

Host Country and Other Donors: Each assisted entity utilizes its own resources, staff time and facilities as part of its contribution. The Foundation works with other U.S. groups to augment their efforts in modest ways. There is no assistance from the Ukraine Government. The MacArthur and Soros Foundations are involved in similar types of grant making.

Beneficiaries: The immediate beneficiaries are the grantees and the people they serve. However, a stronger private sector, a more open and efficient public administration, and a better, freer press and media will benefit all citizens of the NIS.

Major Outputs: Strengthened indigenous organizations, including grassroots women's organizations; increased number of business centers established; curriculum development in market economics.

USAID-Financed Inputs:**Life of Project (Est. by Percentage)**

Commodities	15%
Grants	85%

PROJECT TITLE NIS Exchanges and Training		PROJECT NUMBER 110-012 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)			
FY 1995 5,750		LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1993	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998	

Purpose: This project funds U.S.-based exchanges, training (short- and long-term) and institutional partnerships to 1) equip a broad base of current and future Ukrainian leaders and professionals with specialized skills, practical experiences and new attitudes needed to develop and support market-oriented economic systems and democratic governance ; and 2) build sustainable U.S.-Ukrainian personal contacts and institutional linkages to facilitate trade, investment, technology transfer and cooperation on global issues of mutual concern.

Project Description: This project supports Ukraine's transition towards participatory democracy and market economics by providing highly specialized training which complements technical assistance efforts with reformers and emerging private sector leaders and professionals attempting to implement structural change. Training provided under the project responds to immediate needs and addresses longer-term requirements by providing opportunities to foster U.S./Ukraine partnerships. U.S.-sponsored training programs are combined with first-hand experience with U.S. practitioners and/or internships in U.S. public or private sector organizations and provide exposure to U.S. community-based activities, including the operations of federal, state and local governments and non-governmental organizations and cultural institutions. In-country programs provide training support to on-going sector assistance activities. Training is aimed at reformers in key economic ministries and other public and private institutions. Special areas of interest include: NGOs, banking, communications, business development, energy, environment, local government, agribusiness, tax administration, democratic initiatives and health.

The U.S./Ukraine Partnership Program provides U.S. organizations the opportunity to work directly with Ukrainian organization(s) for the purpose of enhancing their ability to provide educational and/or membership services. Through the partnership arrangement, the organizations enter into mutually and equally beneficial affiliations in order to carry out programs or develop educational products which have potential for being sustained beyond the life of the project. Such activities include adult education and civic awareness programs, membership services, and business assistance centers.

Sustainability: The nature of training suggests that the knowledge and skills gained will endure well beyond the length of training, allowing the recipient to draw upon newly-acquired skills for decision-making or problem solving purposes in response to immediate priority needs and long-term requirements for sustained institutional change. Maintaining linkages will reinforce the new knowledge gained and new ways of thinking acquired through the training experience.

Relationship to USAID Strategy: Training has been a central theme in USAID's NIS Program since its inception. The sharing of U.S. experience and the provision of training in democratic principles and the management of a market economy are key elements of USAID's strategy for Ukraine.

Host Country and Other Donors: Host country contributions will be programmed as required. Project assistance will be coordinated with other donors as appropriate. USAID will also seek contributions from U.S. educational institutions to the maximum extent possible.

Beneficiaries: The direct beneficiaries of the project include the individuals and their organizations as well as universities/training institutions receiving training opportunities. Indirect beneficiaries include Ukrainian citizens who will enjoy the benefits of sustained institutional change.

Major Outputs: Approximately 1,200 Ukrainians will be the recipients of U.S.-sponsored technical training, and 5 U.S./Ukraine relationships with educational institutions or professional associations will be fostered through the partnership program. An additional 2,042 Ukrainians will participate in exchange opportunities under a separate USIA program.

USAID-Financed Inputs**Life of Project (Est. by Percentage)**

Training	100%
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UZBEKISTAN

NATIONAL INCOME AND EXPENDITURES

Per Capita GNP in U.S.\$ (1992) 850

Government Budgetary Expenditures as % of GDP by Economic Type (1992)

Total Expend. 45.2% Current Expend. 45.2% Capital Expend. NA

General Government Budget Balance in % of GDP (1992) -13.0%

INTERNATIONAL RESERVES AND EXTERNAL DEBT

Official International Reserves (\$ Millions, US) NA

External Public Debt as % of GDP () NA

Service Payments on External Debt ():

As % of Total Export Earnings NA

POPULATION

Total Population (Thousands, 1991) 20,613

Population Growth Rate:

(1985-90) 2.5 (1990-91) 1.9

Population (1990) By Age Group:

(0-14 yrs) 41.6% (15-64 yrs) 54.2% (65+ yrs) 4.2%

Total Fertility Rate (1985) 4.5 (1990) 3.9

HOUSEHOLD INCOME AND EMPLOYMENT

Income Share by Source as % of Total Household Income (1992)

Labor 82.1% Transfers 17.9%

Labor Force Participation Rate (1989)

Total 39.4% Male 43.5% Female 35.4%

Proportion of Labor Force by Sector of Employment (1992)

Agriculture 43.4% Industry 21.3% Services 35.2%

EXTERNAL TRADE

Current Account Balance (\$ Millions, US) (1992) -57

Total Imports (\$ Millions, US) (1992) 930

Of Which % From U.S. (1992) NA

Major Imports (1992): MACHINERY & PARTS, CONSUMER DURABLES, GRAIN, OTHER FOODS

Total Exports (\$ Millions, US) (1992) 869

Of Which % to U.S. (1992) NA

Major Exports (1992): COTTON, GOLD, TEXTILES, CHEMICAL & MINERAL FERTILIZERS, VEGETABLE OIL

Trading Partners: NIS, EASTERN EUROPE

AGRICULTURE

Agricultural Production as % of GDP (1991) 37.2%

Shares of Gross Agricultural production by Form of Ownership (1992)

Collective 30.8% State 35.4% Private Plot 33.4% Private Farm 0.4%

HEALTH

Life Expectancy at Birth, in Years (1991) 69.2

Infant Deaths in First Yr of Life per 1000 Live Births (1990) 36.4

Percent of Children 12-23 Months Old Fully Immunized Against

Tuberculosis(BCG) 97.0% (1992) Measles 84.0% (1992)

Diphtheria(DPT3) 83.0% (1992) Polio(3) 85.0% (1992)

EDUCATION AND LITERACY

Total School Enrollment as Ratio of Population in Age Group (1990-91):

General Education Total 68% Female NA

Literacy Rate (1970) Male 100% Female 100%

UZBEKISTAN

PROGRAM OBLIGATION SUMMARY (in thousands of dollars)			
CATEGORY	FY 1993 (ACTUAL)	FY 1994 (ESTIMATED)	FY 1995 (PLANNED)
All accounts	\$11,223	\$22,390	\$9,800
TOTALS			

PERSONNEL DATA - MISSION DIRECT HIRE			
CATEGORY	FY 1993 (ACTUAL)	FY 1994 (ESTIMATED)	FY 1995 (PLANNED)
U.S. National			1
Foreign National			
TOTALS			1

Participant Training Data: UZBEKISTAN			
Participant Category	FY 1993 Actual	FY 1994 Estimated	FY 1995 Planned
US NET Project	4	133	66
USIA Exchanges	120	107	150
Other US Training	26	23	27
TOTAL	150	263	243

UZBEKISTAN

Introduction

Uzbekistan is at the geographical heart of Central Asia. With 22 million inhabitants, it is by far the most populous country in the region. Uzbekistan is a leading exporter of cotton, is well-supplied with natural gas and most food products, and is likely to become a petroleum exporter. However, cotton monocropping has led to very serious economic and environmental problems. United States interest in Uzbekistan relates to the country's core political and cultural role in Central Asia, and its potential to become an exporter of petroleum and natural gas.

USAID Development Strategy and Accomplishments to Date

Uzbekistan remains a tightly controlled political regime, though the pace of economic reform is slowly beginning to accelerate. U.S. assistance supports the principal objectives common to the New Independent States. As a Central Asian republic, Uzbekistan shares a common legacy of inadequate health services resulting in relatively high infant mortality. Accordingly, maternal/child health and immunization are addressed. The special problems related to Aral Sea desiccation, a result of Soviet-era agricultural practices, are addressed through a potable water and a regional water management program. As a result of careful and methodical efforts by U.S. long term advisors attached to the Uzbek Committee for State Property Management, the first pilot auction in February 1994 was acknowledged to be a success and is being replicated across the nation. The auctions allow local governments to dispose of unprofitable businesses and unfinished buildings in a systematic, competitive and transparent manner.

Other Donors

Uzbekistan has not established any stabilization agreements with the International Monetary Fund, nor has it invited the World Bank to establish a consultative group donor coordination mechanism. In addition to bilateral assistance, the United States contributes to a multilateral effort coordinated by the World Bank to address the problems of the Aral Sea basin. The United States has signed cooperative agreements covering all five Central Asian republics with Israel to foster the development of agribusiness. A \$7 million program of joint cooperation between the U.S. and Turkey provides four Central Asian countries, Kazakhstan, Uzbekistan, Turkmenistan and the Kyrgyz Republic with assistance to improve maternal and child health.

FY 1995 Program

With other donors, the United States is encouraging Uzbekistan to undertake economic reform effort. Any increases in aid levels are contingent on a demonstrated commitment to serious reform. USAID is planning a program of \$10.8 million of FREEDOM Support Act funds for on-going projects. No new projects are planned.

Regional Mission Director: Craig Buck

PROJECT TITLE Environmental Policy and Technology		PROJECT NUMBER 110-003 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)		
FY 1995 4,000	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1993	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To alleviate human health risks associated with the lack of potable water in the Aral Sea basin, and to foster regional cooperation on water management issues. To reduce environmental threats from agricultural, industrial and municipal sources.

Project Description: In October 1993, the U.S. Government announced \$15 million in assistance to the countries of Central Asia as the first part of a longer term effort to help alleviate environmental conditions and foster regional cooperation in the Aral Sea basin. Project design teams travelled to the region in June to identify specific interventions. Uzbek water management officials participated in the April 1994 Water Management study tour of western U.S. water control systems. The potable water project will be implemented in the Karakalpakstan area adjoining the Aral Sea, mainly in the towns of Nukus and Urgench, beginning in the fall of 1994.

During FY 1995, the project will focus on 1) identifying special interventions for improved potable water for the most threatened groups; 2) provision of technical assistance to continue to improve the operation and maintenance of two major water treatment plants; 3) public health education and laboratory support programs implemented through local health/sanitation organizations; and, 4) implementation of the initial stages of an industrial waste minimization and a municipal pollution control project.

Sustainability: In the potable water program, primary emphasis is on training local operators and managers to maintain equipment and on introduction of improved sanitary practices. Pricing issues regarding potable water will be explored, to provide incentives for proper use and conservation of scarce potable water. The regional water management activity is aimed at system-wide sustainability through policy development regarding resource costing, allocation and conservation.

Relationship to USAID Strategy: The United States is participating in a major international effort aimed at alleviating human suffering caused by the ecological disaster from Soviet agricultural and water management practices in the Aral Sea region. U.S. assistance strategy emphasizes public and environmental health, potable water, and regional water management.

Host Country and Other Donors: The potable water program is coordinated at the national and local level on the basis of a Memorandum of Understanding, with local labor as the principal host country contribution. The United States has pledged a minimum of \$7 million in FY 95 funds for the first phase of the \$220 million World Bank-facilitated long term Central Asia Region program for the Aral Sea to address potable water, engineering projects, and regional policy cooperation.

Beneficiaries: In Nukus and Urgench, an estimated 500,000 persons will benefit directly from clean water. Uzbek water management organizations will also benefit from in the regional water management activities. Managers of participating industrial plants will benefit from exposure to Western pollution control evaluation technology and management concepts.

Major Outputs: Higher quality treated water from plants in Nukus and Urgench; high quality potable water for additional populations in the area; operations and management training provided for water treatment plant operators; water standards policy advisory services provided to Uzbek authorities; pollution control assessment of a major Uzbek industrial complex.

USAID-Financed Inputs:**Life of Project (Est. by Percentage)**

Technical Assistance	55%
Training	14%
Commodities	20%
Grants	8%
Transfers 632(a) & (b)	3%

PROJECT TITLE Health Care Improvement		PROJECT NUMBER 110-004 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)			
FY 1995 1,300		LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1998	ESTIMATED PROJECT COMPLETION FY 1999	

Purpose: To support health care financing and service delivery reform; to strengthen communicable disease control programs; to reduce high maternal mortality and fertility; and, to improve health information and response capabilities.

Project Description: Activities to date include the training of government health care officials and providers; the provision of technical assistance and training in environmental health issues; and, the initiation of both the Reproductive Health Services Expansion and the Health Care Financing and Service Delivery Reform Programs.

In FY 1995, health care financing and service delivery reform activities will introduce market-oriented reforms to improve the financing, quality, efficiency and sustainability of health care. Rapid response capabilities in support of reform will include short- and long-term technical assistance in health finance, insurance, and quality assurance; training; upgrading management information systems to track program progress; a competitive small grants program to test innovative pilot activities and establish one intensive demonstration site that will assist local and national health officials redefine finance and service delivery roles. Reproductive health care (including family planning) will focus on activities aimed at modernizing the sector, such as awareness activities to create a favorable political environment for improved services; strengthening institutional capacity to plan and deliver family health services; expanding the supply, mix and sources of contraceptives; and training health care trainers, service providers and educating users. The Ministry of Health's capacity to plan, implement and monitor immunization and disease control programs to promote vaccine self-reliance will be strengthened. Through the provision of long-term advisors and training, communicable disease surveillance and monitoring capabilities will be strengthened. Environmental health assistance, training, and program support will be provided.

Sustainability: The emphasis of these activities is to find long lasting, socially and financially viable solutions to Uzbekistan's health care and service delivery problems. Every attempt is being made to look for less costly, more efficient methods to obtain the high degree of health coverage that existed prior to the break up of the former Soviet Union.

Relationship to USAID Strategy: The activities of this project are directly related to the third strategic objective of the U.S., namely to strengthen the capacity to manage the human dimension of the transition to democracy and a market economy, and to help sustain the neediest sectors of the population during the transition period.

Host Country and Other Donors: Uzbekistan national and local government officials are cooperating with the health financing and service delivery, and the medical partnerships. Through the Kyoto Declaration, WHO, UNICEF, Japan, the EU, Canada, and other major donors have developed a coordinating mechanism for vaccine-preventable disease control. Japan is providing large quantities of vaccines. Turkey has joined the U.S. in a joint program for the Central Asian Republics.

Beneficiaries: The immediate beneficiaries of this project are the health care providers who participate and their clients. The entire at-risk populations in Uzbekistan will also benefit from a more efficient, cost effective health care delivery system.

Major Outputs: Improved efficiency and quality of services through an intensive health care reform program; improved access to information through the health surveillance and monitoring system; reduction in maternal mortality and fertility rates through improved reproductive health care; strengthened capacity for immunization, disease control and surveillance practices. strengthened.

USAID-Financed Inputs:

Technical Assistance
Training
Commodities
Grants
Transfers 632(a) & (b)

Life of Project (Est. by Percentage)

65%
15%
10%
5%
5%

PROJECT TITLE Democratic Pluralism Initiatives		PROJECT NUMBER 110-007 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)		
FY 1995 1,000	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To support Uzbekistan's democratic transition through development of the rule of law, electoral processes and civil society.

Project Description: Activities to date have included: support for civic organization development; and training and technical assistance for print journalists.

Democratic pluralism activities planned for Uzbekistan during FY 1995 include small grants to NGOs that support rule of law objectives; assistance, where appropriate, on legislative and other measures related to rule of law objectives; participation in regional judicial and other training programs advancing the rule of law; and related assistance aimed at enhancing the legal framework for human rights and democratic governance in Uzbekistan.

Sustainability: The program is designed to ensure that by the end of USAID's support, indigenous personnel can maintain targeted institutions and, to the maximum extent possible, these institutions are financially sustainable.

Relationship to USAID Strategy: Support for Uzbekistan's democratization is one of U.S. Government's highest priorities.

Host Country and Other Donors: There is little other donor activity supporting democratic pluralism in Uzbekistan.

Beneficiaries: Direct beneficiaries are trained judicial officials; and NGO participants. All Uzbeks will ultimately benefit from a more informed, democratic, pluralistic and civil society.

Major Outputs: More efficient and informed judicial and legal processes; expanded public awareness of democratic, ethnic and human rights issues; NGO operations expanded and strengthened.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	30%
Training	30%
Commodities	20%
Grants	13%
Transfers 632 (a) and/or (b)	7%

PROJECT TITLE Economic Restructuring and Financial Reform		PROJECT NUMBER 110-009 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)		
FY 1995 1,500	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To significantly improve the economic policy environment of Uzbekistan and to improve the capacity of key Uzbek policy makers in the Ministry of Finance and Central Bank to design and effectively implement market-oriented macro and structural policy reform.

Project Description: In FY 1993-94, the project provided medium term technical assistance designed to (1) identify and prioritize key policy and administrative reforms necessary to effectively overhaul the existing tax regime; (2) provide recommendations for oversight regulatory infrastructure; and (3) provide recommendations for the implementation of stable monetary and exchange rate policies. In addition, long-term technical assistance was provided to the Ministry of Finance to support the formulation of a more consistent set of core macro and structural reform policies.

During FY 1995, the project will focus on the following actions:

- Continued provision of an American economic policy advisor to the Ministry of Finance.
- Provision of advisory assistance in fiscal administration and revenue estimation to the Ministry of Finance and the State Tax Board.
- Assistance to the Central Bank in bank supervision and monetary policy formulation.

Sustainability: Institutional development is central to this project; a primary intent is develop policy-making and analytical capacities in the field of fiscal and monetary policy which will undergird the long term transformation of Uzbekistan's economy. All advisory assistance is given to Uzbek counterparts.

Relationship to USAID Strategy: This project addresses a basic objective of U.S. assistance to Uzbekistan, which is to foster the emergence of a competitive market-oriented economy. Strengthening of the banking system and tax revenue base are critical to attaining this objective.

Host Country and Other Donors: Program activities under this project are coordinated with the International Monetary Fund.

Beneficiaries: The population at large are the main beneficiaries of this project, in terms of its effort to help the government control inflation and set policies which will speed the restructuring process which will open greater opportunities for all citizens in the context of economic security. Participating Uzbek government and banking institutions are the direct beneficiaries of U.S. assistance.

Major Outputs: Establishment of an effective bank supervision unit in the Central Bank; passage of modernized, non-distortive and equitable tax legislation; establishment of a modernized tax administration system.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	64%
Training	15%
Commodities	2%
Grants	7%
Transfers 632(a) & (b)	12%

PROJECT TITLE Eurasia Foundation		PROJECT NUMBER 110-010 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)		
FY 1995* • Funding under NIS Regional	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1993	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To support economic reform, governmental reform and the nonprofit sector, and media and communications activities through an independent grant-making institution.

Project Description: The Foundation has awarded grants for activities in all of the New Independent States of the former Soviet Union (NIS). The grant activities in Uzbekistan include: the Aral Sea Information Committee support for internships in the U.S. of NGO leaders in the Karakalpak region of the Aral Sea; Legacy International and Uzbek tourism authorities are supporting the development of regional tourism strategies and training capabilities; the Project on Economic Reform and Development in Central Asia which organized a roundtable of Western assistance providers in Uzbekistan, and helped place Uzbek college students in Western technical assistance groups operating in Uzbekistan; Columbia University Libraries provided textbooks on management, economics, and other social sciences to selected institutions; East-West TV is documenting the experience of NIS participants in American exchanges; and, participation in other multi-countries grant programs.

The Foundation will continue to award grants to U.S. and indigenous non-profit organizations such as sister cities programs, cooperating U.S. and NIS universities, technical institutes or hospitals, and traditional NGOs in need of strengthening. A new program in the for-profit sector will make recoverable grants or small loans, called Program Related Investments (PRIs). PRIs must be to organizations that fit within the Foundation's original purposes and be targeted at for-profit institution. This could include indigenous publishers who desire to translate and publish important U.S. textbooks in economics, management or public administration.

Sustainability: It is estimated that for every dollar provided by the Foundation, two dollars is leveraged from the assisted entity. This demonstrates the commitment of the participating party or parties. Grants are only given to augment planned activities which show a high degree of existing involvement from NIS counterparts. Training in financial management and business planning are key elements to much of the Foundation's work to address the sustainability of supported activities.

Relationship to USAID Strategy: These grants are helping achieve each of the three U.S. assistance objectives in the New Independent States of the former Soviet Union by supporting activities to create a more competitive, market oriented economy, to provide more transparent and accountable governance through empowered citizens, and to redefine public and private sector roles in the management of social services. The grants also provide small-scale assistance - a need not otherwise met by USAID.

Host Country and Other Donors: Each assisted entity utilizes its own resources, staff time and facilities as part of its contribution. The Foundation works with other U.S. groups to augment their efforts in modest ways. The Uzbekistan Government is assisting in the tourism activity. The MacArthur and Soros Foundations are involved in similar types of grant making.

Beneficiaries: The immediate beneficiaries are the grantees and the people they serve. However, a stronger private sector, a more open and efficient public administration, and a better, freer press and media will benefit all citizens of the NIS.

Major Outputs: Strengthened NGOs in the Karakalpak region; regional tourism strategy developed; improved access to electronic communications.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Commodities	15%
Grants	85%

PROJECT TITLE NIS Exchanges and Training		PROJECT NUMBER 110-012 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)		
FY 1995 750	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1993	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: This project funds U.S.-based exchanges and training (short- and long-term) to 1) equip a broad base of current and future Uzbekistan leaders and professionals with specialized skills, practical experiences and new attitudes needed to develop and support market-oriented economic systems and democratic governance; and 2) build sustainable U.S.-Uzbekistan personal contacts and institutional linkages to facilitate trade, investment, technology transfer and cooperation on global issues of mutual concern.

Project Description: In support of Uzbekistan's transition towards participatory democracy and market economics, highly specialized training which complements and reinforces on-going technical assistance efforts is provided to reformers and emerging private sector leaders and professionals attempting to implement structural change. To the extent possible, U.S.-sponsored training programs are combined with one on one experience with U.S. practitioners or internships in U.S. public and private sector organizations and provide exposure to U.S. community-based activities, including the operations of federal, state and local governments and non-governmental organizations and cultural institutions. In-country programs provide training support to on-going sector assistance activities. Priority training areas for Uzbekistan include family health, macroeconomic policy development, tax policy, NGO development, media strengthening, energy, environment and private sector reform.

Sustainability: The nature of training suggests that the knowledge and skills gained will endure well beyond the length of training, allowing the recipient to draw upon newly-acquired skills for decision-making or problem solving purposes in response to immediate priority needs and long-term requirements. To this end, the aim of our training program is to create durable linkages between participants and individuals and/or institutions encountered during the time spent in the U.S. Maintaining linkages will reinforce the knowledge gained and new ways of thinking acquired through the training experience.

Relationship to USAID Strategy: Training has been a central theme in USAID's NIS Program since its inception. The sharing of U.S. experience and the provision of training in democratic principles and the management of a market economy are key elements of USAID's strategy for Uzbekistan. This Project focusses on key sector issues which are also being addressed by our technical assistance programs in other projects.

Host Country and Other Donors: Host country contributions will be programmed as required. Project assistance will be coordinated with other donors as appropriate. USAID will also seek contributions from U.S. educational institutions to the maximum extent possible.

Beneficiaries: The direct beneficiaries of the project include the individuals and universities/training institutions receiving training opportunities. Indirect beneficiaries include citizens of Uzbekistan who will enjoy the benefits of sustained institutional change.

Major Outputs: Approximately 210 Uzbeks will be the recipients of U.S.-sponsored technical training while 380 will participate in separate USIA exchange opportunities.

USAID-Financed Inputs

Life of Project (Est. by Percentage)

Training

100%

NIS REGIONAL

PROGRAM OBLIGATION SUMMARY (in thousands of dollars)			
CATEGORY	FY 1993 (ACTUAL)	FY 1994 (ESTIMATED)	FY 1995 (PLANNED)
All Accounts	\$42,492	\$218,805	\$184,450
TOTALS			

PERSONNEL DATA - MISSION DIRECT HIRE			
CATEGORY	FY 1993 (ACTUAL)	FY 1994 (ESTIMATED)	FY 1995 (PLANNED)
U.S. National Foreign National			
TOTALS			

Participant Training Data: Cumulative Data (all projects)				
Participant Category	FY 1993 Actual	FY 1994 Estimated	FY 1995 Planned	Grand Total
US NET Project	211	6,417	1,498	8,126
USIA Exchanges	3,670	8,977	4,092	16,739
Other US Training	879	2,776	729	4,384
TOTAL	4,760	18,170	6,319	29,249

PROJECT TITLE Special Initiatives		PROJECT NUMBER 110-001 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)			
FY 1995 5,875		LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998	

Purpose: To address emergency humanitarian concerns, particularly focussing on regional issues (such as food/medicine logistics systems), transnational matters (such as migration, displaced persons, and refugees), and NIS-wide actions (e.g. evaluations, project management).

Project Description: In prior years, the project provided assistance to the World Food Program (WFP) Caucasus Logistics Advisory Unit, the Caucasus regional programs of the International Committee of the Red Cross (ICRC) and other international organizations, regional core costs of the U.S. Centers for Disease Control (CDC) epidemiological and nutritional surveillance systems, early warning systems, the regional food/shelter programs and core costs of the Caucasus PVO Comprehensive Humanitarian Assistance Program. It also funded activities which were not country specific or had cross-cutting, transnational implications (such as evaluations, needs assessments, and program management).

In FY 1995, the project will continue to support the majority of those organizations assisted during the previous year; to finance the core costs of multilateral humanitarian programs; conduct related assessments and evaluations; support CDC regional surveillance and other early warning activities; establish a small rapid response fund for unforeseen emergencies; assist, as appropriate, in the peace maintenance process; and, fund technical assistance and associated support services that impact on project initiatives.

Sustainability: The refugee and displaced persons programs seek to reintegrate the vulnerable groups into communities and foster national reconciliation, as a means to establish an environment conducive to economic and political reform. Logistics and transportation activities are essential to the resumption of normal economic life and reestablishing/improving regional linkages.

Relationship to USAID Strategy: The alleviation of human suffering, through the provision of emergency and humanitarian aid, has long been a major foreign policy objective. A regional program can deal with migration and logistics issues on a rapid response basis, supporting country programs, and establishing a transnational climate conducive to resolution of ethnic conflicts.

Host Country and Other Donors: United States humanitarian relief assistance in a regional context, especially in the Caucasus, is closely coordinated with United Nations organizations (e.g. UNHCR and WFP) and international organizations (e.g. ICRC). The U.S. has taken a leadership role in inducing burden sharing among donors and more effective coordination and mobilization of resources through the U.N. Department of Humanitarian Assistance.

Beneficiaries: Emergency and humanitarian assistance is targeted to vulnerable groups, including the elderly, pregnant or lactating women, children, pensioners, orphans, institutionalized persons, and refugees/displaced persons (especially those in conflict zones recently dislocated and without other means of support).

Major Outputs: A more effective transportation system in the Caucasus region; protection and relief for refugees/displaced persons, especially in conflict zones; an efficient Caucasus PVO humanitarian program management unit; regional food and shelter reserves for quick response.

USAID-Financed Inputs: (Humanitarian Assistance)

Life of Project (Est. by Percentage)

Technical Assistance	3%
Training	1%
Commodities	66%
Grants	30%

PROJECT TITLE Health Care Improvement		PROJECT NUMBER 110-004 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)			
FY 1995 4,000		LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1998	ESTIMATED PROJECT COMPLETION FY 1999	

Purpose: To promote vaccine/pharmaceutical security; to support health care financing and service delivery reform; to strengthen critical health information and response capabilities; to support women's reproductive health initiatives; and, to address select regional and country specific health problems.

Project Description: Health care financing and service delivery reform is being implemented by Abt Associates and a group of subcontractors on a region wide basis to provide a rapid response capability to assess problems and plan response efforts; perform training needs assessments and prepare plans for curriculum development or training-of-trainers activities in insurance, services management, financial management, economics and quality assurance; provide technical assistance (TA), training and some commodities to those undertaking health care reform; assisting local and national governments redefine finance and service delivery roles; manage a small grants program; and, set up a region wide information dissemination program. Regional assistance to WHO will be provided to implement the July 27, 1994 Kyoto Declaration concerning coordination of donor support for childhood immunization and disease control. The BASICS Project will continue to promote vaccine self-reliance and to strengthen MoHs' capacities to plan, implement and monitor immunization and disease control programs. The US Food and Drug Administration (FDA) will continue to support simplified drug registration and approval procedures, and pharmaceutical quality control TA. The Center for Disease Control and Prevention (CDC) will implement a region-wide monitoring and surveillance program focused on communicable diseases. The Medical Partnership program will arrange activities to transfer its experiences to other health care providers on a region-wide basis.

Sustainability: The emphasis of all of these activities is to find long lasting, socially and financially viable solutions to the NIS's health care and service delivery problems. Every attempt is being made to look for less costly, more efficient methods to obtain the high degree of health coverage that existed prior to the break up of the former Soviet Union. Issues of quality assurance and improvement in service delivery are key to long-term support.

Relationship to USAID Strategy: The activities of this project are directly related to the third Strategic Objective of the United States, namely to strengthen the capacity to manage the human dimension of the transition to democracy and a market economy, and to help sustain the neediest sectors of the population during the transition period.

Host Country and Other Donors: All NIS governments are cooperating with the health financing and service delivery, the vaccine and pharmaceutical production, and the medical partnerships. In addition all major donors working on childhood immunization and disease control signed the Kyoto Declaration to better coordinate their activities. The major participants include the EU, France, UNICEF, WHO, IFRC/RCS, Japan, Rotary International and US. UNFPA is active in addressing women's health and fertility problems.

Beneficiaries: The immediate beneficiaries of this project are the children who are immunized and those who are otherwise treated, the health care providers who participate, and the pharmaceutical producers, distributors, retailers and customers. The entire at risk populations in the NIS countries will also benefit from a more efficient, cost effective health care delivery system.

Major Outputs: The Abt Associates rapid response capability will be operational and focused on at least five intensive sites; the improved access to health data and monitoring of health activities through the NIS-wide health surveillance and monitoring system; and, improved coordination of donor support through the WHO/EURO Secretariat under the Kyoto Declaration for childhood immunization and disease control.

USAID-Financed Inputs:

Technical Assistance
Training
Commodities
Grants
Transfers 632(a) & (b)

Life of Project (Est. by Percentage)

65%
15%
10%
5%
5%

PROJECT TITLE Democratic Pluralism Initiative		PROJECT NUMBER 110-007 [X]GRANT []LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)		
FY 1995 1,350	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To support regional activities for the transition to democracy through development of the rule of law, independent media, electoral and political processes, civil society and enhanced public administration, particularly at the local level.

Project Description: Activities to date have included: electoral support at the national and local levels, political party and independent trade union development, support for Central Election Commissions, support to independent media groups, technical assistance to cities in municipal finance and management, development of indigenous non-governmental institutions through partnerships with U.S. NGO/PVOs; and judicial training and commercial and criminal law drafting.

Regional democratic pluralism activities planned during FY 95 are as follows:

- The Rule of Law consortia, American Bar Association and other USAID funded organizations will focus on developing parliaments, including legislative research, committee processes and structure; developing indigenous bar associations; establishing independent judiciaries; continuing legal education programs; developing law school curricula and management; and providing general legal assistance including drafting of commercial, crime, and corruption laws.
- Political Process support program elements will train political parties, civic groups and parliamentary groups in coalition building, media and organizational skills; provide technical assistance to Central Election Commissions and local authorities in applying electoral laws, regulations, standards and voter education; and provide technical assistance and training to encourage the growth of independent trade unions and organizations focused on women's issues.
- Media development will offer training and technical assistance to independent television and radio stations and the print media, particularly in topics relevant to financial stability.
- Civil Society development will strengthen indigenous NGO capacity in targeted geographic regions through technical assistance, training, small grants, and reduction of legal constraints to NGO development.
- The Public Administration program will improve financial practices, strengthen management, increase transparency, accountability and predictability of public administration by providing technical assistance, training and computer hardware and software to city governments.

Sustainability: The program is designed to ensure that by the end of USAID's support, the assisted institutions and processes will be sustainable with indigenous resources and commitments.

Relationship to USAID Strategy: Support for democratization is one of the U.S. Government's highest priorities.

Host Country and Other Donors: Assisted organizations are providing staff, office space and budget support to the activities under this Project. NED, Soros, Rockefeller, Carnegie and MacArthur Foundations are also active in this area. The World Bank and the UNDP are key multilateral institutions providing support in this area.

Beneficiaries: Direct beneficiaries are trained judicial and election officials, media specialists, leadership and staff of participating city governments and NGO participants. All NIS citizens will ultimately benefit from more stable, informed, democratic, pluralistic and civil societies.

Major Outputs: More efficient and informed legislative and legal processes; strengthened legal and judicial infrastructure, improved criminal justice reform; independent media groups better trained and more financially viable; strengthened political parties; more independent labor unions organized; NGO operations expanded and strengthened; improved management of financial practices of city governments; and improved services to city residents.

USAID-Financed Inputs:

Technical Assistance
Training
Commodities
Grants
Transfers 632(a) & (b)

Life of Project (Est. by Percentage)

30%
30%
20%
13%
7%

PROJECT TITLE Eurasia Foundation		PROJECT NUMBER 110-010 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)		
FY 1995 5,000	LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1993	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998

Purpose: To support economic reform, governmental reform and the nonprofit sector, and media and communications activities through an independent grant-making institution.

Project Description: The Eurasia Foundation has awarded grants for activities in all of the New Independent States of the former Soviet Union (NIS). A representative sample of grant activities would show: Land O'Lakes has provided business education and management training in the Kyrgyz Republic; Junior Achievement has piloted business programs in Belarus and Moldova; Freedom House and a local partner were involved in activities supporting the March parliamentary elections in the Ukraine; the Center for Civil Society International has provided information resources to numerous independent organizations in several of the NIS; Duke University has assisted the Commission on Radio and Television Policy with media policy activities designed to affect multiple NIS countries; the University of Nebraska at Omaha set up a Small Business Development Center at the Academy of Economic Studies in Moldova.

The Foundation will continue to award grants to U.S. and Indigenous non-profit organizations such as sister cities programs, cooperating U.S. and NIS universities, technical institutes or hospitals, and traditional NGOs in need of strengthening. A new program in the for-profit sector will make recoverable grants or small loans, called Program Related Investments (PRIs). PRIs must be to organizations that fit within the Foundation's original purposes and targeted at for-profit institutions. This could include support to indigenous publishers who desire to translate and publish important U.S. textbooks in economics, management or public administration.

Sustainability: It is estimated that for every dollar provided by the Foundation, two dollars is leveraged from the assisted entity. This demonstrates the commitment of the participating party or parties. Grants are only given to augment planned activities which show a high degree of existing involvement from NIS counterparts. Training in financial management and business planning are key elements to much of the Foundation's work to address the sustainability of supported activities.

Relationship to USAID Strategy: These grants are helping achieve each of the three U.S. assistance objectives in the New Independent States of the former Soviet Union by supporting activities to create a more competitive, market oriented economy, to provide more transparent and accountable governance through empowered citizens, and to redefine public and private sector roles in the management of social services. The grants also provide small-scale assistance - a need not otherwise met by USAID.

Host Country and Other Donors: Each assisted entity utilizes its own resources, staff time and facilities as part of its contribution. The Foundation works with other U.S. groups to augment their efforts in modest ways. There is no assistance from the Russian Government. Rockefeller, Ford, MacArthur and Soros Foundations are involved in similar types of grant making.

Beneficiaries: The immediate beneficiaries are the grantees and the people they serve. However, a stronger private sector, a more open and efficient public administration, and a better, freer press and media will benefit all citizens of the NIS.

Major Outputs: This activity was designed to be reactive to the needs of the targeted groups as they develop and, therefore, it is not possible to predict the exact nature of future outputs. However, approximately 45% of the program will be directed to the private sector, 40% to the public sector, and 15% to media and communications.

USAID-Financed Inputs:**Life of Project (Est. by Percentage)**

Commodities	15%
Grants	85%

PROJECT TITLE Special Initiatives		PROJECT NUMBER 110-001 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)			
FY 1995 2,675		LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998	

Purpose: To reduce maternal and child mortality through a program of joint cooperation between the U.S. and Turkey, which assists in the modernization of reproductive health services and increased access to affordable contraceptives through social marketing.

Project Description: In the past year, project activities have initiated implementation through introducing key senior health officials to reproductive health programs in other countries, including Turkey and the U.S.; updating information on contraceptive technology; raising awareness of the relationship between improved maternal health and reduction of maternal mortality through child spacing; collaborating with host country institutions and private pharmaceutical companies in the development of financing and distribution mechanisms for the sale of affordable contraceptives.

During FY 1995, the project will focus on:

- Initiation of test commercial market sites in Uzbekistan and Kazakhstan
- Training of pharmacists for Kazakhstan, Uzbekistan and the Kyrgyz Republic;
- The development of appropriate guidelines for family planning service delivery through public and private sector institutions;
- Consumer education and information.

Sustainability: The project will work with private pharmaceutical companies which have a long-term commercial interest in the Central Asia region. Training of health care providers, pharmacists and consumers in improved reproductive health care practices, including the health benefits of modern contraceptive technology, will build and sustain the market for contraceptives and family planning services which can contribute to improved maternal and child health outcomes.

Relationship to USAID Strategy: The U.S. Government's assistance strategy includes strengthening the capacity to manage the human dimension of the transition to democracy and a market economy. This activity complements USAID's Reproductive Health Services Expansion Project, which supports the modernization and improved effectiveness of reproductive health care (Project 110-004 funding), and provides training and technical assistance in strategic planning, communications, clinical skills and contraceptives.

Host Country and Other Donors: The United Nations Population Fund (UNFPA) is providing significant levels of contraceptive commodities and limited clinical training to public sector institutions to meet the urgent current need for family planning services.

Beneficiaries:

All women of reproductive age;
Small emergent private distribution networks for pharmaceuticals.

Major Outputs: Increased use of contraception in place of abortion; better trained health care providers for maternal/child health care; reduced infant and maternal mortality associated with abortion and closely spaced pregnancies.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Technical Assistance	40%
Training	60%

PROJECT TITLE Enterprise Funds		PROJECT NUMBER 110-011 <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (in thousands of dollars)			
FY 1995 25,000		LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1994	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998	

Purpose: To foster private sector development and sustain emerging private enterprises. The Central Asian-American Enterprise Fund (CAAEF) provides investment (equity and loan) capital to small and medium-scale businesses in Kazakhstan, Uzbekistan, Turkmenistan, Tajikistan and the Kyrgyz Republic.

Project Description: In September, 1994 agreements were signed with the CAAEF Board of Directors to establish the Fund, which will begin full-scale operations during FY 1995. The Fund may take equity and loan investment positions in small to medium-scale businesses. The commercial environment will determine where investments actually take place; there is no pre-allocation by country. USAID approval will be required for any transaction in which the Fund seeks to commit more than 10% of the Fund's capital.

Sustainability: The CAAEF is meant to repay the U.S. contribution from profits on its investments, and then may continue as a self-sustaining private sector entity.

Relationship to USAID Strategy: The CAAEF directly supports the first objective of U.S. assistance to Central Asia, which is to foster the emergence of competitive, market-oriented economies.

Host Country and Other Donors: No other donors are involved with the CAAEF.

Beneficiaries: The direct beneficiaries are newly privatized and newly established businesses in Central Asia which receive investment finance through the Fund. Indirectly, the population at large will benefit from successful business expansion through lower cost, higher quality goods and services.

Major Outputs: Demonstration to foreign investors that profitable investments can be made in the Central Asian countries; demonstration to regional financial institutions that investment in the private sector can be profitable and serve as a stabilizing force in the community.

USAID-Financed Inputs:**Life of Project (Est. by Percentage)**

Grants

100%

PROJECT TITLE Enterprise Funds		PROJECT NUMBER 110-011 [X] GRANT [] LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)			
FY 1995 25,000		LIFE OF PROJECT FUNDING Ongoing	
INITIAL OBLIGATION FY 1994	ESTIMATED FINAL OBLIGATION FY 1997	ESTIMATED PROJECT COMPLETION FY 1998	

Purpose: To foster private sector development and sustain emerging private enterprises. The Western New Independent States Enterprise Fund (WNISEF) provides investment (equity and loan) capital to small and medium-scale businesses in Ukraine, Belarus and Moldova.

Project Description: In September 1994, grant agreements were signed with the WNISEF Board of Directors to establish the Fund, which will begin full-scale operations during FY 1995. The Fund will take equity and loan investment positions in small to medium-scale businesses. The commercial environment will determine where investments actually take place; there is no pre-allocation by country. USAID approval will be required for any transaction in which the WNISEF seeks to commit more than 10% of the Fund's capital.

Sustainability: The WNISEF is meant to repay the U.S. contribution from profits on its investments, and then may continue as a self-sustaining private sector entity.

Relationship to USAID Strategy: The WNISEF directly supports the first objective of U.S. assistance to Ukraine, Belarus and Moldova, which is to foster the emergence of competitive, market-oriented economies.

Host Country and Other Donors: No other donors are involved with the WNISEF.

Beneficiaries: The direct beneficiaries are newly privatized and newly established businesses in Ukraine, Belarus and Moldova which may receive investment finance through the Fund. Indirectly, the population at large will benefit from successful business expansion through lower cost, higher quality goods and services.

Major Outputs: Demonstration to foreign investors that profitable investments can be made in Ukraine, Belarus and Moldova; Demonstration to regional financial institutions that investment in the private sector can be profitable and serve as a stabilizing force in the community.

USAID-Financed Inputs:

Life of Project (Est. by Percentage)

Grants

100%

PROJECT TITLE Other U.S. Agency Support		PROJECT NUMBER <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	
PROPOSED OBLIGATION BY FUNDING SOURCE (In thousands of dollars)			
FY 1995 182,600		LIFE OF PROJECT FUNDING	
INITIAL OBLIGATION FY 1995	ESTIMATED FINAL OBLIGATION FY 1995	ESTIMATED PROJECT COMPLETION	

Purpose: In pursuit of assistance program objectives, USAID intends to transfer FREEDOM Support Act funds to other U.S. government agencies pursuant to interagency agreements at the direction of the Office of the Coordinator of U.S. Assistance to the New Independent States. Funds management and audit responsibilities transfer to the recipient agencies upon execution of a 632(a) agreement.

Utilizing FY 1994 funding, a total of \$360,400,000 was transferred to various U.S. Government agencies under Section 632(a) of the FAA. During FY 1995, the State Department Coordinator has proposed to place greater emphasis on trade and investment promotion by increasing the level of funding for OPIC and TDA programs. These programs will focus principally on Russia, and will result in a reduction of technical assistance activities in Russia and other NIS republics. The following transfers under Section 632(a) of the FAA are planned:

Overseas Private Investment Corporation:		\$ 60,000
Trade and Development Agency:		\$ 17,000
U.S. Department of Commerce:		\$ 9,000*
* SABIT:	\$ 4,000	
BISNIS:	\$ 2,000	
BISNIS/Russia:	\$ 1,000	
Business Dev. Committee:	\$ 1,000	
American Business Centers:	\$ 1,000	
U.S. Department of State:		\$ 25,000*
* Title VIII 632(a) Allocation	\$ 3,000	
Humanitarian Transport 632(a) Allocation	\$ 22,000	
Peace Corps:		\$ 11,600
U.S. Information Agency:		\$ 42,000
U.S. Department of Agriculture/Cochran Program		\$ 3,000
U.S. Department of Justice and Federal Bureau of Investigation		\$ 15,000*
• Law Enforcement		
TOTAL:		\$ 182,600

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROJECT NO	PROJECT TITLE	FY OF	FY OF	---		-- THROUGH FY 93 --		-- ESTIMATED FY 94 --		-- PROPOSED FY 95 --	
		INITIAL OBLIG	FINAL OBLIG	PLANNED	AUTHORIZED	OBLIGA- TIONS	EXPEN- DITURES	OBLIGA- TIONS	EXPEN- DITURES	OBLIGA- TIONS	EXPEN- DITURES
110-0001	NIS SPECIAL INITIATIVES	92	97	257,000	274,600	132,307	79,367	145,095	55,489	64,400	97,388
110-0002	ENERGY EFFICIENCY & MARKET REFORM	92	97	450,000	250,000	89,571	19,291	101,100	55,360	76,900	90,960
110-0003	ENVIRONMENTAL POLICY AND TECHNOLOGY	93	97	128,500	128,500	11,323	1,041	74,175	19,976	34,500	41,711
110-0004	HEALTH CARE IMPROVEMENT	92	98	194,000	194,000	31,148	12,604	104,350	30,142	33,850	57,782
110-0005	PRIVATE SECTOR INITIATIVES	92	97	875,000	875,000	164,114	46,121	408,900	140,777	177,500	258,057
110-0006	FOOD SYSTEMS RESTRUCTURING	92	97	118,300	109,000	42,000	5,682	33,600	24,879	8,500	33,299
110-0007	DEMOCRATIC PLURALISM INITIATIVES	92	97	160,000	160,000	40,027	8,636	91,600	34,016	46,050	61,546
110-0008	HOUSING SECTOR REFORM	92	97	204,000	204,000	23,300	7,732	191,800	46,144	12,500	87,004
110-0009	ECONOMIC RESTRUCTURING & FINANCIAL SECTOR REFORM	92	97	130,000	130,000	31,497	6,064	57,500	24,217	35,700	42,857
110-0010	EURASIA FOUNDATION FOR TECHNICAL ASSISTANCE AND TRAINING	93	97	75,000	75,000	8,000	2,267	18,000	6,467	10,000	12,067
110-0011	ENTERPRISE FUNDS	93	97	741,000	741,000	20,000	0	316,000	73,200	90,000	154,400
110-0012	NIS EXCHANGES AND TRAINING	93	97	90,000	90,000	28,891	7,283	95,000	29,804	27,500	54,304
118-0013	ENERGY AND ENVIRONMENT COMMODITIES IMPORT PROGRAM	94	97	125,000	125,000	0	0	90,000	18,000	0	36,000
156-0001	HUMANITARIAN MEDICAL ASSISTANCE	92	97	10,000	10,000	10,000	6,812	0	3,188	0	0
	632(a) TRANSFERS TO OTHER AGENCIES			0	0	23,197	23,197	363,100	72,620	182,600	181,760
	TRANSPORTATION FUNDING			0	0	0	0	55,000	0	0	0
	OPERATING EXPENSES			0	0	12,700	12,700	12,600	12,600	0	0
	TRADE AND INVESTMENT			0	0	0	0	300,000	0	0	0
	PERFORMANCE FUND			0	0	0	0	0	0	50,000	10,000
	TOTAL			3,557,800	3,366,100	668,075	238,787	2,457,820	646,877	850,000	1,219,133

**SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)**

COUNTRY:	ARMENIA (111)	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-- THROUGH FY 93-- OBLIGA- TIONS	EXPEN- DITURES	-- ESTIMATED FY 94-- OBLIGA- TIONS	EXPEN- DITURES	-- PROPOSED FY 95-- OBLIGA- TIONS	EXPEN- DITURES
PROJECT NO.	PROJECT TITLE								
110-0001	NIS SPECIAL INITIATIVES	92	97	30,060	16,683	48,600	16,409	23,000	30,729
110-0002	ENERGY EFFICIENCY & MARKET REFORM	92	97	7,195	1,968	22,500	7,114	7,400	13,094
110-0003	ENVIRONMENTAL POLICY AND TECHNOLOGY	93	97	420	366	75	42	0	57
110-0004	HEALTH CARE IMPROVEMENT	92	98	1,130	808	950	351	500	641
110-0005	PRIVATE SECTOR INITIATIVES	92	97	160	0	1,000	280	2,000	880
110-0006	FOOD SYSTEMS RESTRUCTURING	92	97	1,245	520	1,245	612	500	961
110-0007	DEMOCRATIC PLURALISM INITIATIVES	92	97	0	0	600	120	200	280
110-0008	HOUSING SECTOR REFORM	92	97	2,525	1,247	2,000	1,039	1,500	1,739
110-0009	ECONOMIC RESTRUCTURING & FINANCIAL SECTOR REFORM	92	97	916	34	4,500	1,341	2,900	2,821
110-0010	EURASIA FOUNDATION FOR TECHNICAL ASSISTANCE AND TRAINING	93	97	480	136	0	172	0	172
110-0011	ENTERPRISE FUNDS	93	97	0	0	0	0	0	0
110-0012	NIS EXCHANGES AND TRAINING	93	97	1,170	197	1,300	747	750	1,157
118-0013	ENERGY AND ENVIRONMENT COMMODITIES IMPORT PROGRAM	94	97	0	0	0	0	0	0
156-0001	HUMANITARIAN MEDICAL ASSISTANCE	92	97	0	0	0	0	0	0
	632(a) TRANSFERS TO OTHER AGENCIES			0	0	50	10	1,950	410
	PERFORMANCE FUND			0	0	0	0	0	0
	OPERATING EXPENSES			0	0	0	0	0	0
	TOTAL			45,301	21,959	82,820	28,235	40,700	52,939

**SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)**

COUNTRY:	AZERBAIJAN (112)	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-- THROUGH FY 93 --		-- ESTIMATED FY 94 --		-- PROPOSED FY 95 --	
PROJECT NO.	PROJECT TITLE			OBLIGA- TIONS	EXPEN- DITURES	OBLIGA- TIONS	EXPEN- DITURES	OBLIGA- TIONS	EXPEN- DITURES
110-0001	NIS SPECIAL INITIATIVES	92	97	3,817	1,657	11,300	3,340	9,000	7,400
110-0002	ENERGY EFFICIENCY & MARKET REFORM	92	97	0	0	0	0	0	0
110-0003	ENVIRONMENTAL POLICY AND TECHNOLOGY	93	97	60	6	0	27	0	27
110-0004	HEALTH CARE IMPROVEMENT	92	98	0	0	0	0	0	0
110-0005	PRIVATE SECTOR INITIATIVES	92	97	160	0	0	80	0	80
110-0006	FOOD SYSTEMS RESTRUCTURING	92	97	0	0	0	0	0	0
110-0007	DEMOCRATIC PLURALISM INITIATIVES	92	97	10	10	0	0	0	0
110-0008	HOUSING SECTOR REFORM	92	97	0	0	0	0	0	0
110-0009	ECONOMIC RESTRUCTURING & FINANCIAL SECTOR REFORM	92	97	0	0	0	0	0	0
110-0010	EURASIA FOUNDATION FOR TECHNICAL ASSISTANCE AND TRAINING	93	97	0	0	0	0	0	0
110-0011	ENTERPRISE FUNDS	93	97	0	0	0	0	0	0
110-0012	NIS EXCHANGES AND TRAINING	93	97	614	0	500	407	500	607
118-0013	ENERGY AND ENVIRONMENT COMMODITIES IMPORT PROGRAM	94	97	0	0	0	0	0	0
156-0001	HUMANITARIAN MEDICAL ASSISTANCE	92	97	0	0	0	0	0	0
	632(a) TRANSFERS TO OTHER AGENCIES			0	0		0	500	100
	PERFORMANCE FUND			0	0	0	0	0	0
	OPERATING EXPENSES			0	0	0	0	0	0
	TOTAL			4,661	1,673	11,800	3,854	10,000	8,214

**SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)**

COUNTRY:	BELARUS (113)	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-- THROUGH FY 93 --	-- ESTIMATED FY 94 --	-- PROPOSED FY 95 --			
PROJECT NO.	PROJECT TITLE			OBLIGA- TIONS	EXPEN- DITURES	OBLIGA- TIONS	EXPEN- DITURES	OBLIGA- TIONS	EXPEN- DITURES
110-0001	NIS SPECIAL INITIATIVES	92	97	1,968	834	0	567	0	567
110-0002	ENERGY EFFICIENCY & MARKET REFORM	92	97	1,187	678	1,700	595	0	935
110-0003	ENVIRONMENTAL POLICY AND TECHNOLOGY	93	97	80	8	2,600	556	1,000	1,276
110-0004	HEALTH CARE IMPROVEMENT	92	98	840	632	350	174	1,500	544
110-0005	PRIVATE SECTOR INITIATIVES	92	97	986	144	1,000	621	0	821
110-0006	FOOD SYSTEMS RESTRUCTURING	92	97	0	0	0	0	0	0
110-0007	DEMOCRATIC PLURALISM INITIATIVES	92	97	376	140	2,250	568	300	1,078
110-0008	HOUSING SECTOR REFORM	92	97	0	0	0	0	0	0
110-0009	ECONOMIC RESTRUCTURING & FINANCIAL SECTOR REFORM	92	97	0	0	0	0	0	0
110-0010	EURASIA FOUNDATION FOR TECHNICAL ASSISTANCE AND TRAINING	93	97	160	45	0	58	0	58
110-0011	ENTERPRISE FUNDS	93	97	0	0	0	0	0	0
110-0012	NIS EXCHANGES AND TRAINING	93	97	1,663	354	1,500	955	500	1,355
118-0013	ENERGY AND ENVIRONMENT COMMODITIES IMPORT PROGRAM	94	97	0	0	0	0	0	0
156-0001	HUMANITARIAN MEDICAL ASSISTANCE	92	97	0	0	0	0	0	0
	632(a) TRANSFERS TO OTHER AGENCIES			0	0	715	143	1,500	586
	PERFORMANCE FUND			0	0	0	0	0	0
	OPERATING EXPENSES			0	0	0	0	0	0
	TOTAL			7,260	2,835	10,115	4,236	4,800	7,219

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

COUNTRY.	GEORGIA (114)	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	--THROUGH FY 93-- OBLIGA-- TIONS	EXPEN-- DITURES	--ESTIMATED FY 94-- OBLIGA-- TIONS	EXPEN-- DITURES	--PROPOSED FY 95-- OBLIGA-- TIONS	EXPEN-- DITURES
PROJECT NO.	PROJECT TITLE								
110-0001	NIS SPECIAL INITIATIVES	92	97	15,429	12,223	22,133	6,030	14,300	13,316
110-0002	ENERGY EFFICIENCY & MARKET REFORM	92	97	0	0	8,900	1,780	6,000	4,760
110-0003	ENVIRONMENTAL POLICY AND TECHNOLOGY	93	97	60	6	500	127	0	227
110-0004	HEALTH CARE IMPROVEMENT	92	98	898	661	950	309	1,000	699
110-0005	PRIVATE SECTOR INITIATIVES	92	97	160	0	1,000	280	500	580
110-0006	FOOD SYSTEMS RESTRUCTURING	92	97	0	0	0	0	0	0
110-0007	DEMOCRATIC PLURALISM INITIATIVES	92	97	3	3	1,100	220	700	580
110-0008	HOUSING SECTOR REFORM	92	97	0	0	0	0	0	0
110-0009	ECONOMIC RESTRUCTURING & FINANCIAL SECTOR REFORM	92	97	389	29	1,000	380	1,300	840
110-0010	EURASIA FOUNDATION FOR TECHNICAL ASSISTANCE AND TRAINING	93	97	400	113	0	144	0	144
110-0011	ENTERPRISE FUNDS	93	97	0	0	0	0	0	0
110-0012	NIS EXCHANGES AND TRAINING	93	97	1,495	290	1,300	863	500	1,223
118-0013	ENERGY AND ENVIRONMENT COMMODITIES IMPORT PROGRAM	94	97	0	0	0	0	0	0
156-0001	HUMANITARIAN MEDICAL ASSISTANCE	92	97	0	0	0	0	0	0
	632(a) TRANSFERS TO OTHER AGENCIES			0	0	40	8	700	156
	PERFORMANCE FUND			0	0	0	0	0	0
	OPERATING EXPENSES			0	0	0	0	0	0
	TOTAL			18,834	13,325	36,923	10,139	25,000	22,524

**SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)**

COUNTRY:	KAZAKHSTAN (115)	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	--THROUGH FY 93-- OBLIGA- TIONS	EXPEN- DITURES	-ESTIMATED FY 94- OBLIGA- TIONS	EXPEN- DITURES	-PROPOSED FY 95- OBLIGA- TIONS	EXPEN- DITURES
PROJECT NO.	PROJECT TITLE								
110-0001	NIS SPECIAL INITIATIVES	92	97	5,651	1,961	1,500	2,145	400	2,525
110-0002	ENERGY EFFICIENCY & MARKET REFORM	92	97	2,276	1,030	6,900	2,003	3,000	3,983
110-0003	ENVIRONMENTAL POLICY AND TECHNOLOGY	93	97	700	44	10,250	2,378	4,000	5,228
110-0004	HEALTH CARE IMPROVEMENT	92	98	1,694	798	5,550	1,558	3,000	3,268
110-0005	PRIVATE SECTOR INITIATIVES	92	97	9,774	895	63,100	17,060	15,000	32,680
110-0006	FOOD SYSTEMS RESTRUCTURING	92	97	2,522	297	1,000	1,313	0	1,513
110-0007	DEMOCRATIC PLURALISM INITIATIVES	92	97	2,118	1,057	6,600	1,851	4,000	3,971
110-0008	HOUSING SECTOR REFORM	92	97	1,922	926	3,000	1,098	2,000	2,098
110-0009	ECONOMIC RESTRUCTURING & FINANCIAL SECTOR REFORM	92	97	3,035	175	5,800	2,590	5,000	4,750
110-0010	EURASIA FOUNDATION FOR TECHNICAL ASSISTANCE AND TRAINING	93	97	160	45	0	58	0	58
110-0011	ENTERPRISE FUNDS	93	97	0	0	30,000	6,000	0	12,000
110-0012	NIS EXCHANGES AND TRAINING	93	97	1,536	307	2,700	1,155	1,250	1,945
118-0013	ENERGY AND ENVIRONMENT COMMODITIES IMPORT PROGRAM	94	97	0	0	0	0	0	0
156-0001	HUMANITARIAN MEDICAL ASSISTANCE	92	97	0	0	0	0	0	0
	632(a) TRANSFERS TO OTHER AGENCIES			0	0	1,315	263	3,850	1,296
	PERFORMANCE FUND			0	0	0	0	0	0
	OPERATING EXPENSES			0	0	0	0	0	0
	TOTAL			31,388	7,535	137,715	39,470	41,500	75,313

**SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)**

COUNTRY:	KYRGYZ REPUBLIC (116)	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-- THROUGH FY 93--	-- ESTIMATED FY 94--	-- PROPOSED FY 95--			
PROJECT NO.	PROJECT TITLE			OBLIGA-- TIONS	EXPEN-- DITURES	OBLIGA-- TIONS	EXPEN-- DITURES	OBLIGA-- TIONS	EXPEN-- DITURES
110-0001	NIS SPECIAL INITIATIVES	92	97	3,812	1,330	100	1,261	0	1,281
110-0002	ENERGY EFFICIENCY & MARKET REFORM	92	97	2,878	1,172	3,100	1,473	1,500	2,393
110-0003	ENVIRONMENTAL POLICY AND TECHNOLOGY	93	97	230	10	2,400	590	500	1,170
110-0004	HEALTH CARE IMPROVEMENT	92	98	1,523	692	2,350	886	2,000	1,756
110-0005	PRIVATE SECTOR INITIATIVES	92	97	4,008	693	38,200	9,298	8,000	18,538
110-0006	FOOD SYSTEMS RESTRUCTURING	92	97	750	11	300	430	0	490
110-0007	DEMOCRATIC PLURALISM INITIATIVES	92	97	977	346	3,100	936	1,500	1,856
110-0008	HOUSING SECTOR REFORM	92	97	0	0	2,000	400	0	800
110-0009	ECONOMIC RESTRUCTURING & FINANCIAL SECTOR REFORM	92	97	2,138	74	3,800	1,792	4,000	3,352
110-0010	EURASIA FOUNDATION FOR TECHNICAL ASSISTANCE AND TRAINING	93	97	640	182	0	229	0	229
110-0011	ENTERPRISE FUNDS	93	97	0	0	0	0	0	0
110-0012	NIS EXCHANGES AND TRAINING	93	97	1,501	307	1,500	897	1,000	1,397
118-0013	ENERGY AND ENVIRONMENT COMMODITIES IMPORT PROGRAM	94	97	0	0	0	0	0	0
156-0001	HUMANITARIAN MEDICAL ASSISTANCE	92	97	0	0	0	0	0	0
	632(a) TRANSFERS TO OTHER AGENCIES			0	0	745	149	2,000	698
	PERFORMANCE FUND			0	0	0	0	0	0
	OPERATING EXPENSES			0	0	0	0	0	0
	TOTAL			18,457	4,817	57,595	18,339	20,500	33,958

**SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)**

COUNTRY	MOLDOVA (117)	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-- THROUGH FY 93 -- OBLIGA-- TIONS	EXPEN-- DITURES	-- ESTIMATED FY 94 -- OBLIGA-- TIONS	EXPEN-- DITURES	-- PROPOSED FY 95 -- OBLIGA-- TIONS	EXPEN-- DITURES
PROJECT NO.	PROJECT TITLE								
110-0001	NIS SPECIAL INITIATIVES	92	97	2,901	1,403	0	749	0	749
110-0002	ENERGY EFFICIENCY & MARKET REFORM	92	97	0	0	2,700	540	1,000	1,280
110-0003	ENVIRONMENTAL POLICY AND TECHNOLOGY	93	97	236	164	2,500	536	0	1,036
110-0004	HEALTH CARE IMPROVEMENT	92	98	955	703	1,350	396	2,500	1,166
110-0005	PRIVATE SECTOR INITIATIVES	92	97	3,093	1,416	16,100	4,059	12,300	9,739
110-0006	FOOD SYSTEMS RESTRUCTURING	92	97	1,300	78	0	611	0	611
110-0007	DEMOCRATIC PLURALISM INITIATIVES	92	97	532	92	2,250	670	1,000	1,320
110-0008	HOUSING SECTOR REFORM	92	97	0	0	0	0	0	0
110-0009	ECONOMIC RESTRUCTURING & FINANCIAL SECTOR REFORM	92	97	2,045	0	2,700	1,563	2,500	2,603
110-0010	EURASIA FOUNDATION FOR TECHNICAL ASSISTANCE AND TRAINING	93	97	960	272	0	344	0	344
110-0011	ENTERPRISE FUNDS	93	97	0	0	0	0	0	0
110-0012	NIS EXCHANGES AND TRAINING	93	97	1,176	214	1,500	781	500	1,181
118-0013	ENERGY AND ENVIRONMENT COMMODITIES IMPORT PROGRAM	94	97	0	0	0	0	0	0
156-0001	HUMANITARIAN MEDICAL ASSISTANCE	92	97	0	0	0	0	0	0
	632(a) TRANSFERS TO OTHER AGENCIES			0	0	715	143	2,400	766
	PERFORMANCE FUND			0	0	0	0	0	0
	OPERATING EXPENSES			0	0	0	0	0	0
	TOTAL			13,198	4,342	29,815	10,391	22,200	20,794

**SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)**

COUNTRY:	RUSSIA (118)	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-- THROUGH FY 93 -- OBLIGA-- TIONS	EXPEN-- DITURES	-- ESTIMATED FY 94 -- OBLIGA-- TIONS	EXPEN-- DITURES	-- PROPOSED FY 95 -- OBLIGA-- TIONS	EXPEN-- DITURES
PROJECT NO.	PROJECT TITLE								
110-0001	NIS SPECIAL INITIATIVES	92	97	31,943	26,751	1,600	2,916	0	3,236
110-0002	ENERGY EFFICIENCY & MARKET REFORM	92	97	40,397	10,603	40,000	22,897	28,000	36,497
110-0003	ENVIRONMENTAL POLICY AND TECHNOLOGY	93	97	5,814	304	34,500	9,655	17,000	19,955
110-0004	HEALTH CARE IMPROVEMENT	92	98	8,677	5,371	75,000	16,653	11,000	33,853
110-0005	PRIVATE SECTOR INITIATIVES	92	97	113,592	38,815	243,500	86,089	119,000	158,589
110-0006	FOOD SYSTEMS RESTRUCTURING	92	97	26,289	2,929	20,000	15,680	8,000	21,280
110-0007	DEMOCRATIC PLURALISM INITIATIVES	92	97	18,827	3,172	45,700	16,968	26,000	31,308
110-0008	HOUSING SECTOR REFORM	92	97	16,995	4,458	178,300	41,929	5,000	78,589
110-0009	ECONOMIC RESTRUCTURING & FINANCIAL SECTOR REFORM	92	97	15,810	4,929	28,000	11,041	13,500	19,341
110-0010	EURASIA FOUNDATION FOR TECHNICAL ASSISTANCE AND TRAINING	93	97	4,000	1,134	6,000	2,633	5,000	4,833
110-0011	ENTERPRISE FUNDS	93	97	20,000	0	241,000	58,200	40,000	114,400
110-0012	NIS EXCHANGES AND TRAINING	93	97	11,038	3,777	68,000	17,231	15,000	33,831
118-0013	ENERGY AND ENVIRONMENT COMMODITIES IMPORT PROGRAM	94	97	0	0	90,000	18,000	0	36,000
156-0001	HUMANITARIAN MEDICAL ASSISTANCE	92	97	0	0	0	0	0	0
	632(a) TRANSFERS TO OTHER AGENCIES			0	0	239,575	47,915	91,900	114,210
	PERFORMANCE FUND			0	0	0	0	0	0
	OPERATING EXPENSES			0	0	0	0	0	0
	TRADE AND INVESTMENT			0	0	300,000	0	0	0
	TOTAL			313,382	102,243	1,611,175	367,805	379,400	705,920

**SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)**

COUNTRY:	TAJIKISTAN (119)	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	--THROUGH FY 93-- OBLIGA-- TIONS	EXPEN-- DITURES	--ESTIMATED FY 94-- OBLIGA-- TIONS	EXPEN-- DITURES	--PROPOSED FY 95-- OBLIGA-- TIONS	EXPEN-- DITURES
PROJECT NO.	PROJECT TITLE								
110-0001	NIS SPECIAL INITIATIVES	92	97	6,136	2,648	15,387	4,821	7,150	9,329
110-0002	ENERGY EFFICIENCY & MARKET REFORM	92	97	0	0	0	0	0	0
110-0003	ENVIRONMENTAL POLICY AND TECHNOLOGY	93	97	135	7	0	64	0	64
110-0004	HEALTH CARE IMPROVEMENT	92	98	617	0	350	379	550	559
110-0005	PRIVATE SECTOR INITIATIVES	92	97	160	0	0	80	0	80
110-0006	FOOD SYSTEMS RESTRUCTURING	92	97	0	0	0	0	0	0
110-0007	DEMOCRATIC PLURALISM INITIATIVES	92	97	116	7	250	105	0	155
110-0008	HOUSING SECTOR REFORM	92	97	0	0	0	0	0	0
110-0009	ECONOMIC RESTRUCTURING & FINANCIAL SECTOR REFORM	92	97	0	0	0	0	0	0
110-0010	EURASIA FOUNDATION FOR TECHNICAL ASSISTANCE AND TRAINING	93	97	0	0	0	0	0	0
110-0011	ENTERPRISE FUNDS	93	97	0	0	0	0	0	0
110-0012	NIS EXCHANGES AND TRAINING	93	97	1,401	301	1,500	850	500	1,250
118-0013	ENERGY AND ENVIRONMENT COMMODITIES IMPORT PROGRAM	94	97	0	0	0	0	0	0
156-0001	HUMANITARIAN MEDICAL ASSISTANCE	92	97	0	0	0	0	0	0
	632(a) TRANSFERS TO OTHER AGENCIES			0	0	625	125	1,000	450
	PERFORMANCE FUND			0	0	0	0	0	0
	OPERATING EXPENSES			0	0	0	0	0	0
	TOTAL			8,565	2,963	18,112	6,423	9,200	11,886

**SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)**

COUNTRY:	TURKMENISTAN (120)	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-- THROUGH FY 93 --	-- ESTIMATED FY 94 --	-- PROPOSED FY 95 --			
PROJECT NO.	PROJECT TITLE			OBLIGA- TIONS	EXPEN- DITURES	OBLIGA- TIONS	EXPEN- DITURES	OBLIGA- TIONS	EXPEN- DITURES
110-0001	NIS SPECIAL INITIATIVES	92	97	3,476	1,007	0	1,235	0	1,235
110-0002	ENERGY EFFICIENCY & MARKET REFORM	92	97	150	100	0	25	0	25
110-0003	ENVIRONMENTAL POLICY AND TECHNOLOGY	93	97	135	7	4,700	1,004	3,000	2,544
110-0004	HEALTH CARE IMPROVEMENT	92	98	733	560	350	157	0	227
110-0005	PRIVATE SECTOR INITIATIVES	92	97	160	0	0	80	0	80
110-0006	FOOD SYSTEMS RESTRUCTURING	92	97	0	0	0	0	0	0
110-0007	DEMOCRATIC PLURALISM INITIATIVES	92	97	557	180	500	289	0	389
110-0008	HOUSING SECTOR REFORM	92	97	0	0	0	0	0	0
110-0009	ECONOMIC RESTRUCTURING & FINANCIAL SECTOR REFORM	92	97	0	0	0	0	0	0
110-0010	EURASIA FOUNDATION FOR TECHNICAL ASSISTANCE AND TRAINING	93	97	0	0	0	0	0	0
110-0011	ENTERPRISE FUNDS	93	97	0	0	0	0	0	0
110-0012	NIS EXCHANGES AND TRAINING	93	97	1,265	186	1,500	840	500	1,240
118-0013	ENERGY AND ENVIRONMENT COMMODITIES IMPORT PROGRAM	94	97	0	0	0	0	0	0
156-0001	HUMANITARIAN MEDICAL ASSISTANCE	92	97	0	0	0	0	0	0
	632(a) TRANSFERS TO OTHER AGENCIES			0	0	1,040	208	1,500	716
	PERFORMANCE FUND			0	0	0	0	0	0
	OPERATING EXPENSES			0	0	0	0	0	0
	TOTAL			6,476	2,040	8,090	3,836	5,000	6,454

**SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)**

COUNTRY:	UKRAINE (121)	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	--THROUGH FY 93-- OBLIGA-- TIONS	EXPEN-- DITURES	--ESTIMATED FY 94-- OBLIGA-- TIONS	EXPEN-- DITURES	--PROPOSED FY 95-- OBLIGA-- TIONS	EXPEN-- DITURES
PROJECT NO.	PROJECT TITLE								
110-0001	NIS SPECIAL INITIATIVES	92	97	10,997	6,635	17,600	5,701	2,000	9,621
110-0002	ENERGY EFFICIENCY & MARKET REFORM	92	97	26,100	1,753	12,300	14,634	30,000	23,094
110-0003	ENVIRONMENTAL POLICY AND TECHNOLOGY	93	97	817	89	7,650	1,894	5,000	4,424
110-0004	HEALTH CARE IMPROVEMENT	92	98	1,547	1,154	4,000	997	6,500	3,097
110-0005	PRIVATE SECTOR INITIATIVES	92	97	14,352	2,413	35,000	12,970	20,700	24,110
110-0006	FOOD SYSTEMS RESTRUCTURING	92	97	9,809	1,833	3,000	4,588	0	5,188
110-0007	DEMOCRATIC PLURALISM INITIATIVES	92	97	10,458	2,569	15,700	7,085	10,000	12,225
110-0008	HOUSING SECTOR REFORM	92	97	1,856	1,101	4,000	1,178	4,000	2,778
110-0009	ECONOMIC RESTRUCTURING & FINANCIAL SECTOR REFORM	92	97	5,155	715	9,500	4,120	5,000	7,020
110-0010	EURASIA FOUNDATION FOR TECHNICAL ASSISTANCE AND TRAINING	93	97	1,200	340	1,000	630	0	830
110-0011	ENTERPRISE FUNDS	93	97	0	0	45,000	9,000	0	18,000
110-0012	NIS EXCHANGES AND TRAINING	93	97	3,753	1,049	10,000	3,352	5,750	6,502
118-0013	ENERGY AND ENVIRONMENT COMMODITIES IMPORT PROGRAM	94	97	0	0	0	0	0	0
156-0001	HUMANITARIAN MEDICAL ASSISTANCE	92	97	0	0	0	0	0	0
	632(a) TRANSFERS TO OTHER AGENCIES			0	0	46,915	9,383	11,050	20,976
	PERFORMANCE FUND			0	0	0	0	0	0
	OPERATING EXPENSES			0	0	0	0	0	0
	TOTAL			86,044	19,651	211,665	75,530	100,000	137,863

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

COUNTRY:	UZBEKISTAN (122)	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-- THROUGH FY 93-- OBLIGA- TIONS	EXPEN- DITURES	-- ESTIMATED FY 94-- OBLIGA- TIONS	EXPEN- DITURES	-- PROPOSED FY 95-- OBLIGA- TIONS	EXPEN- DITURES
PROJECT NO.	PROJECT TITLE								
110-0001	NIS SPECIAL INITIATIVES	92	97	3,532	1,225	100	1,174	0	1,194
110-0002	ENERGY EFFICIENCY & MARKET REFORM	92	97	0	0	500	100	0	200
110-0003	ENVIRONMENTAL POLICY AND TECHNOLOGY	93	97	566	23	4,900	1,252	4,000	3,032
110-0004	HEALTH CARE IMPROVEMENT	92	98	1,961	639	2,100	1,081	1,300	1,761
110-0005	PRIVATE SECTOR INITIATIVES	92	97	1,790	664	9,500	2,463	0	4,363
110-0006	FOOD SYSTEMS RESTRUCTURING	92	97	0	0	0	0	0	0
110-0007	DEMOCRATIC PLURALISM INITIATIVES	92	97	1,872	918	1,550	787	1,000	1,297
110-0008	HOUSING SECTOR REFORM	92	97	0	0	0	0	0	0
110-0009	ECONOMIC RESTRUCTURING & FINANCIAL SECTOR REFORM	92	97	1,512	108	2,200	1,142	1,500	1,882
110-0010	EURASIA FOUNDATION FOR TECHNICAL ASSISTANCE AND TRAINING	93	97	0	0	0	0	0	0
110-0011	ENTERPRISE FUNDS	93	97	0	0	0	0	0	0
110-0012	NIS EXCHANGES AND TRAINING	93	97	1,401	301	1,700	890	750	1,380
118-0013	ENERGY AND ENVIRONMENT COMMODITIES IMPORT PROGRAM	94	97	0	0	0	0	0	0
156-0001	HUMANITARIAN MEDICAL ASSISTANCE	92	97	0	0	0	0	0	0
	632(a) TRANSFERS TO OTHER AGENCIES			0	0	40	8	2,250	466
	PERFORMANCE FUND			0	0	0	0	0	0
	OPERATING EXPENSES			0	0	0	0	0	0
	TOTAL			12,634	3,878	22,590	8,896	10,800	15,574

**SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)**

COUNTRY:	NIS REGIONAL (110)	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-- THROUGH FY 93-- OBLIGA-- TIONS	EXPEN-- DITURES	-- ESTIMATED FY 94-- OBLIGA-- TIONS	EXPEN-- DITURES	-- PROPOSED FY 95-- OBLIGA-- TIONS	EXPEN-- DITURES
PROJECT NO	PROJECT TITLE								
110-0001	NIS SPECIAL INITIATIVES	92	97	12,585	5,010	26,775	9,143	8,550	16,208
110-0002	ENERGY EFFICIENCY & MARKET REFORM	92	97	9,388	1,987	2,500	4,201	0	4,701
110-0003	ENVIRONMENTAL POLICY AND TECHNOLOGY	93	97	2,070	7	4,100	1,852	0	2,672
110-0004	HEALTH CARE IMPROVEMENT	92	98	10,573	586	11,050	7,204	4,000	10,214
110-0005	PRIVATE SECTOR INITIATIVES	92	97	15,719	1,081	500	7,419	0	7,519
110-0006	FOOD SYSTEMS RESTRUCTURING	92	97	85	14	8,055	1,647	0	3,258
110-0007	DEMOCRATIC PLURALISM INITIATIVES	92	97	4,181	142	12,000	4,420	1,350	7,090
110-0008	HOUSING SECTOR REFORM	92	97	2	0	2,500	501	0	1,001
110-0009	ECONOMIC RESTRUCTURING & FINANCIAL SECTOR REFORM	92	97	497	0	0	249	0	249
110-0010	EURASIA FOUNDATION FOR TECHNICAL ASSISTANCE AND TRAINING	93	97	0	0	11,000	2,200	5,000	5,400
110-0011	ENTERPRISE FUNDS	93	97	0	0	0	0	50,000	10,000
110-0012	NIS EXCHANGES AND TRAINING	93	97	878	0	2,000	839	0	1,239
118-0013	ENERGY AND ENVIRONMENT COMMODITIES IMPORT PROGRAM	94	97	0	0	0	0	0	0
156-0001	HUMANITARIAN MEDICAL ASSISTANCE	92	97	0	0	0	0	0	0
	632(a) TRANSFERS TO OTHER AGENCIES			0	0	71,325	14,265	62,000	40,930
	PERFORMANCE FUND						0	50,000	10,000
	OPERATING EXPENSES			12,700	12,700	12,600	12,600	0	0
	TRANSPORTATION FUNDING			0	0	55,000	0	0	0
	TOTAL			68,678	21,527	219,405	66,537	180,900	120,478

