



November 16, 2007

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**ENDORSEMENT MEMO FOR DIRECTOR OF U.S. FOREIGN ASSISTANCE
HENRIETTA H. FORE**

FROM: Ambassador Roderick W. Moore 

SUBJECT: Performance Report on Fiscal Year 2007

The United States recognized Montenegro's independence on June 12, 2006 and established its Embassy in Montenegro on October 5, 2006. Since arriving on September 18, 2007, as the first U.S. Ambassador, I have spent considerable time consulting with Embassy Country Team members, key policy makers within the Government of Montenegro, other international donors, and Montenegrin citizens to ensure that the USG assistance mix is the right one for achieving USG foreign policy interests in Montenegro and the region.

The effective and strategic management of USG assistance in Montenegro as captured in this reporting exercise is not taken lightly by the Embassy Country Team or me. During my first 8 weeks at post I have devoted a significant amount of my time and energy to reviewing USG assistance activities currently in place as well as planned future activities through a number of meetings with USAID implementing partners and USG agencies managing SEED budgets in Montenegro, as well as numerous visits to project activities in the field. This extensive review coupled with my previous tenure as the DCM overseeing USG assistance priorities for Embassy Belgrade, which covered Montenegro until 2006, has helped me guide the process of reviewing our past assistance as well as prioritizing USG assistance plans for FY 2008 and out years. Those future priorities will be detailed in the Phase II submission and will be reflected in the FY 2008 OP budget plans as part of that submission.

This effort of reassessing USG assistance was flagged as the number one priority by the Embassy Country Team and has been enthusiastically supported by all agencies operating at post. This reprioritization was required due to a number of recent external factors directly impacting USG assistance in Montenegro.

USG assistance levels in Montenegro have undergone an unanticipated 75% reduction over the last three fiscal years, a period by which Montenegro held a successful referendum for independence from the State Union of Serbia and Montenegro. There was no comprehensive review or strategic re-prioritization of USG assistance for FY 2008 and beyond to reflect this change. Most Mission activities to deal with those development challenges out of necessity were centered on strategic crisis management to deal with the rapid decline of assistance funding for Montenegro, while still allowing the USG to remain strategically engaged with Montenegrin counterparts during the transition to independence and immediate short-term needs thereafter.

The assessment process of the last 8 weeks has allowed the Embassy to review and prioritize the needs of Montenegro, assess our own past work, other donors' plans, and to focus future USG

assistance around a few key priorities. In short, future USG assistance will focus attention and action around helping Montenegro address the following needs: closing the north-south development gap, strengthening the rule of law, diminishing the relative isolation of the world's newest country, and consolidating democratic gains made to date.

With impressive economic indicators and a stable democratic government, Montenegro appears to be a success story. However, it is a new country, in a historically unstable neighborhood, with nascent institutions that need strengthening and support. It is critical for the USG to capitalize on the investments made to date and finish the job, ensuring a strong democratic nation to serve as an ally in a region prone to instability.

Prior to the independence referendum in May 2006, the political arena in Montenegro was fixated on the question of independence hindering progress on democratic and economic reforms. Now that the pressure to focus solely on the independence issue is gone, leaders can and need to move forward. However, they will need guidance, and probably a political push from the international community, in order to focus their efforts most effectively towards meeting their Euro-Atlantic integration goals, especially those areas that directly challenged the corrupted interests entrenched in several sectors throughout Montenegro.

ECONOMIC GROWTH

U.S. assistance has focused on ensuring that a free market economy replaces the socialist structures left behind by the collapse of Yugoslavia. Since 1998, the USG has had in place a number of large and small scale assistance interventions at the macro-economic level through both USAID and the U.S. Treasury. The USG provided policy advice, technical assistance, and limited commodity donations which helped produce two successfully implemented five year GoM Economic Reform Agendas that helped build the institutional capacity of GoM bodies to facilitate their transition to a liberalized, market-based economy. Montenegro has shown significant results from these efforts. Unemployment decreased to 15.5%; revenue performance has vastly improved -- so far it is 24.82% higher than planned for the first nine months of 2007, and is 26.24% higher than the same period last year. The central government debt decreased, including some early buy-outs of long-term debt; and privatization proceeds increased by 42% compared with the same period last year.

Further, during the last few years, with a great deal of USG assistance and support, Montenegro has created a business-friendly investment climate, leading to impressive economic growth. The country established the lowest corporate tax rate in the region (9%) and dramatically improved its tax policy. Tourism and tourism investments, particularly along the Adriatic coast, are booming, and the independent World Travel and Tourism Council has ranked Montenegro as the fastest growing tourism destination in the world.

Weaknesses remain however, largely in the North-South development gap. The northern region, representing over 53% of Montenegro's territory and 1/3 of its population (including large concentrations of ethnic minorities), lags behind the rest of the country in every leading economic indicator and serves as a serious stumbling block for continuing Montenegro's forward momentum into Euro-Atlantic structures. The political dimension of this gap also exacerbates internal divisions. It is in this area that the USG will redirect a majority of its economic assistance in FY 2008 and beyond. These efforts will support efforts to bridge this gap through the development of direct linkages between Northern provinces and the robust economy in the South, as well to build local public and private sector capacity to leverage planned EU accession funding in the next two to three years.

GOVERNING JUSTLY AND DEMOCRATICALLY

Strengthening civil society and democratic political parties, parliamentary institutional capacity building, fostering an independent media, and strengthening the judiciary have been primary areas of focus in this area. USG support has paid significant dividends in bringing stability to this country as evidenced by the peaceful independence referendum conducted in line with international standards and the passage last month of the hotly debated constitution. In addition the USG civil society program has increased transparency across a wide spectrum of government institutions through a coordinated and strategically focused civic advocacy and NGO watch dog program.

Even with these successes, the lack of an established and enforced rule of law, the relative isolation of the new country, and the developing but unconsolidated democratic system top the list of immediate concerns. The Montenegrin Parliament falls short of effectively being able to fulfill its role of providing a sound legislative framework and implementing necessary reforms for improving economic growth. Montenegro's long-term political and economic stability depends upon its ability to efficiently provide policy and budget oversight of executive branch agencies. In a post-independence period, it is essential for reform and institutional development efforts to continue.

Montenegro's social climate is marked by ethnic tensions and disparity. History, politics and geography have kept Montenegro, a country roughly the size of the state of Connecticut with a population the size of New Hampshire, isolated from the rest of the world. Most worrisome is the fact that an entire generation now in their late teens and early 20s, who will soon be called upon to assume leadership in this country, have only the Balkans of the Milosevic years, war, ethnic tension, and international isolation as a common heritage. This, and the growing and pervasive corruption and organized criminal activity in Montenegro remain huge obstacles in securing the long term stability of reform processes in Montenegro.

It will be essential for future USG assistance programs to strengthen the capacity of Montenegrin institutions in combating corruption, one of the biggest challenges to Montenegro's political and economic transition and its integration into Euro-Atlantic institutions. NGOs have played a key role in promoting public awareness on transparency in governance and combating corruption. However, while this type of activity is important, without the successful prosecution of high level criminal cases and organized crime, efforts to combat corruption in Montenegro will remain stalled.

USG assistance will focus on establishing tangible results in the enforcement of the rule of law, breaking the isolation of Montenegro's citizens and leaders, and consolidating recent democratic gains in the parliament and the civil society sector.

Through regional and bilateral efforts, the U.S. also provides assistance that aids in the global war on terrorism, mitigating the trafficking in persons, weapons, and drugs, and curtailing the laundering of money generated from such illegal activities.

The assistance themes outlined above fall within the F framework and were developed under the Mission's Strategic Plan and in full consultation of the Embassy's Country Team.

It is with pleasure that I submit and hereby endorse Montenegro's 2007 performance report as Phase I of the Embassy's FY 2008 Operational Plan.

Drafted: jt/USAID
Cleared: af/DCM

Montenegro 2007 Performance Report

Operating Unit Performance Summary

Montenegro faced a number of challenges during FY2007, fresh from its successful referendum for independence from Serbia; Montenegro was faced with establishing a number of new institutions and new capacities to deal with its independent status. USAID assistance in the governance area suffered due to a prolonged heated debate over the adoption of its new constitution that delayed passage of a number pieces of reform legislation, some of which detailed the responsibilities and authorities of institutions key to moving Montenegro's reforms forward. While successful in resolving the constitutional debate peacefully in the parliament, an institution supported through USAID assistance, the often heated debate exposed growing internal rifts among ethnic groups, exposed links with radical parties in Serbia among some political parties, and left the public, according to a USAID sponsored focus group study, increasingly dissatisfied with political leaders across the board, including both opposition and ruling parties as not truly talking about the issues of most concern to them. Specifically jobs, corruption, and a secure future for their children remain high on their list of priorities with the general attitude that no political parties were truly representing them on such issues. As such Montenegro remains in transition and her citizens have not yet fully seen the benefits of the move to a market-oriented democracy.

USG assistance to Montenegro continues to promote economic growth, strengthen the rule of law, consolidate democratic gains, and implement reforms to a level that is felt in tangible ways by citizens. Moreover, targeted assistance has increased the participation of average citizens in the political decision making process at the local level. USAID support aims to help steadily move the country toward increased stability and Euro-Atlantic integration, which will be greatly aided by the recent signing of the SAA between Montenegro and the EU.

USAID's programs cover two objective areas: Governing Justly & Democratically and Economic Growth. Assistance focuses on improving economic policy and legal frameworks, strengthening the rule of law, increasing civil society participation, and combat corruption. Key challenges in FY2008 pertain to the presidential elections scheduled to be held in early 2008, pushing Montenegro toward effectively curbing entrenched corruption, organized criminal activities, and mitigate ethnic tensions that linger under

Program Area Performance \ 2 Governing Justly & Democratically \ 2.2 Good Governance

Montenegrin Parliament faces a series of development challenges as the country adjusts into its new role as an independent nation. It still falls short of effectively being able to fulfill its role of providing a sound legislative framework and implementing necessary reforms for improving economic growth. Montenegro's long-term political and economic stability depends upon its ability to efficiently provide policy and budget oversight over executive branch agencies. The USG will continue to work over the next years to help Parliament improve its lawmaking and oversight capacities.

USG provided technical assistance and training to the Parliament by focusing on five needs: more efficient legislative operations; a better developed committee structure; more professional staffing resources; better organized administration and strategic planning; and organized constituency outreach. Activities that support the professional development of legislators; encourage greater public participation; and promote the principles of transparency and accountability were carried out in FY 2007. The ultimate goal of the program

is that political parties, elected officials and legislative institutions become more effective at representation and more transparent and accountable in their actions.

Program Element Performance \ 2 Governing Justly & Democratically \ 2.2 Good Governance \ 2.2.1 Legislative Function and Processes

Notable progress has been made with USG support in the area of parliamentary oversight by ways of a New Rules system. An important contribution involves enabling the Parliament in enforcing its right to invite the Prime Minister to appear in Parliament to answer questions 3 times. The Prime Minister, when appearing in Parliament, answered all questions compared to the previous session when the Prime Minister's appearance in Parliament occurred no more than 3 times. Results achieved also include the increased presence of more Parliamentary Ministers during Question Time, compared to prior years when the Ministers would send Deputy Ministers in their place. There is a willingness now to assume political responsibility for decision-making in the Montenegrin Ministry. Moreover, the Ministers record of attendance in committee sessions when their legislation was under consideration increased during FY 2007. These examples demonstrate an increased respect by the government for Parliament as an institution and Parliament's enhanced status. USG continues to advocate for increased frequency of Question Time sessions.

Even though the US style of hearings are still not a regular practice, there were a number of times during FY 2007 when ministers appeared before committees. This includes two hearings in the Security and Defense Committee with the presence of the Police Chief and Intelligence Agency, one hearing in the International Affairs Committee with the Foreign Affairs Minister, and one long hearing in the Budget Committee with NGO participation.

Finally, political parties have demonstrated a higher level of understanding and respect for parliamentary business by the resignation of MPs with other full-time jobs. The MP's cited that, given their full-time job outside the Parliament, they lacked the time MP's are required to dedicate to the Parliament. Such a changed attitude is a direct result of USG assistance, due to recommendations and interviews explaining the need for increased political responsibility in Parliament. In terms of increasing staff capacity, the reforms undergone in FY 2007 created several new organizational units and new staff. USG was hoping to begin training new staff but was forced to postpone training for the next fiscal year because of a delay in hiring new staff caused by the constitutional drafting process. Nonetheless, the internship program continues to provide additional capacity support to the Parliament that is valued.

Element Indicator Narrative \ 2 Governing Justly & Democratically \ 2.2 Good Governance \ 2.2.1 Legislative Function and Processes

During FY 07, USG assistance met targets thusly providing a number of significant events for Parliament members and staff, gathering close to 150 participants. Through this indicator goal, numerous legislators and staff, as well as interns of the fifth generation from the NDI Internship Program, were able to participate in at least one training event. Even more individuals participated in 2,3 or even all of events. This indicator should also be analyzed by the total number of potential trainees from our target group, which does not exceed 110, as well as interns who operate as national legislative staff during their internship in parliament.

Element Indicator Narrative \ 2 Governing Justly & Democratically \ 2.2 Good Governance \ 2.2.6 Program Support (Governance)

Activity design (anti-corruption) – Missions’ Senior Governance and Anticorruption Adviser conducted a desk audit of USAID Montenegro civil society program looking at best practices, lessons learned, areas of future needs in the sectors the programs offered assistance (NGO and Media) with an emphasis on how these sectors can support, assistance, and strengthen the prevention and combating corruption in Montenegro. The Advisor also provided the mission with a concept paper that helped articulate the development need in this sector for Montenegro, compelling reason for USG assistance in this sector, how it helps meet USG foreign policy objectives, and an outline of areas where the new activity might focus on that would be used to help facilitate discussions in the Mission for work toward designing the new activity and its scope of work.

Program Area Performance \ 2 Governing Justly & Democratically \ 2.4 Civil Society

A report on corruption in Montenegro released by Swedish International Development Agency (SIDA) in 2007 noted that NGOs have by far done the most to combat corruption. They noted the work of USAID sponsored NGOs in enforcing the newly passed FAI, where SIDA noted that cases of non-responsiveness of government bodies were addressed to the Administrative Court and to the Supreme Court with major victories. The report noted that such NGO work in Montenegro is one of the rare instances in the region where litigation as a mechanism to realize citizens’ rights seems to have helped to set norms through judicial practice. Furthermore, NGOs in Montenegro have played a key role in promoting public awareness on transparency in governance and combating corruption. The role of independent watchdogs such as NGOs and media is extremely important in monitoring the reform process in Montenegro.

As the civil society sector moves closer to consolidation, the decline in donor funding and the increased urgency of addressing the sector’s long-term sustainability demand that USG funds be invested in programs that will produce maximum benefit for the NGO sector as a whole, rather than individual NGO successes.

The media both in its explicit capacity of advocacy and its ability to frame political issues, serves as a primary means for governments and citizens to communicate with each other as aid in the watchdog of government and business in the fight against corruption. USG assistance played a key role in media reforms in Montenegro with the implementation of media reform law passed in 2002, the training journalists, and starting the process of turning the former state owned media outlet into a public service broadcaster. While media organizations are well established and operate under favorable laws, many struggle to achieve profitability and to adhere to professional standards.

USAID also continued to work with NGOs watchdog coalitions to monitor the enforcement of reforms passed. Activities also supported a coalition of NGOs in implementing a National NGO Strategy drafted in 2006 which set preconditions for financial, operational and programmatic sustainability for the entire sector. As a result NGOs will have access to some of the most important pre-requisites for sustainability, namely, a clear system of self-regulation and transparency, better cross-sector partnerships, and a powerful platform for advocacy/ watchdog activities.

Program Element Performance \ 2 Governing Justly & Democratically \ 2.4 Civil Society \ 2.4.1 Civic Participation

After two years of drafting and lobbying, the amendment to the NGO Law is in the parliamentary committee the first step toward a full vote by the parliament; this law, when passed, will improve the public perception of NGOs substantially as it will close a loophole in the law that allows small businesses to register as NGOs

as tax shelters. The Law on Consumer Protection, adopted in 07, provides citizens with recourse to challenge abuses of their rights. The first-ever national NGO code of conduct was adopted, which will increase self-regulation within the CSO sector, created by a 200+ strong coalition of NGOs in 2007. The Government of Montenegro filled the post of National NGO Coordinator in early 2007, following years of lobbying from the CSO community - this policy move by the government is seen by CSOs as a positive sign of increased willingness for dialog between the Government and NGOs in the future. A government proposal to introduce a 1% tax law, which would automatically tith 1% of all income tax paid to the state to the CSO community, was defeated by CSO lobbying. NGOs fought against this law because of the government's poor record of administering public funds to NGOs and mixed experiences in other 1% law countries. The primary fear being that direct funding of NGOs would compromise NGOs credibility in the public.

USAID increased the number of local watchdog NGOs to be included in the 2007 program (20 as opposed to 31). This was done to increase anti-corruption efforts in Montenegro and was achieved due to cost-efficiencies achieved in the sub-granting structure. Commitment of the government is crucial because all laws or regulations lobbied for, drafted, or monitored by NGOs ultimately depend on the state for adoption and implementation. Gender balance was neutral or positive given that there are more female participants in the CSO sector than any other sector in Montenegro. Key achievements under the custom indicator include the input and/or influence of CSOs in 58 pieces of legislation, which is more than the 45 originally anticipated. The higher figures are accounted for by the increased number of NGOs participating in 07, some which were not directly financed for their work but chose to participate in the program, mostly through their work with the coalition "Together towards the Goal".

Program Element Performance \ 2 Governing Justly & Democratically \ 2.4 Civil Society \ 2.4.2 Media Freedom and Freedom of Information

In 2007, USAID changed the focus of the USG media support activity in several ways. First, USAID redirected all training support towards the public service broadcaster (psb) due to observed backsliding in impartiality of their programs in late 2006. Second, instead of providing technical assistance to the PSB, the project engaged an NGO to watchdog its progress from outside because TA efforts in 2006 had marginal effect on the internal politics of the PSB. Third, support to the journalistic self-regulatory body was scaled back in 07 in line with the plan to make the organization more self-sustainable and less dependent on donor support. The re-tooling of the program has paid off. Media self-regulation continued at 2006 levels of quality even with decreased financial support. The media advocacy effort will produce concrete improvements in the media laws and their implementation. The watchdog activity has made the PSB more aware of its failings in its duty to the public, while at the same time, we have trained the news editors and journalists within the PSB to perform at higher standards. The Law on Free Access to Information continues to be well-enforced, largely thanks to the USAID assisted media NGO partners who have tested the system with thousands of requests (and achieved an average of 60% response rate from public bodies tested). Host country commitment is most important for the media advocacy effort, however, in general, keeping a clear separation between the government and independent media organizations, is key. Gender balance in the media program is largely neutral - for example, while the heads of most media NGOs are male, there is a female head of the self-regulatory body and many high-ranking female news editors within the PSB.

Element Indicator Narrative \ 2 Governing Justly & Democratically \ 2.4 Civil Society \ 2.4.1 Civic Participation

Under Indicator no.1 (number of positive modifications made to CSO-enabling legislation), the actual

indicator exceeded the original target by two positive modifications (5 as opposed to 3). The first reason for this is that the amendment to the Law on NGOs did not pass as expected in FY06 but as of October 07 it is on the parliamentary agenda for adoption. The second is that the Law on Consumer Protection was not adopted by parliament until spring 2007.

Under Indicator 2, the actual indicator exceeded the original target by 11 NGOs (31 as opposed to 20), due to the eventual increased number of local watchdog NGOs included in the local watchdog program, at the direction of USAID in an effort to increase anti-corruption efforts in Montenegro. The actual indicator is conservative, because the 200 members of the NGO coalition "Together towards the Goal" and 9 short-term advocacy grantees are not included here. In 2007, NGOs had input into, or influenced 58 pieces of public policy, which exceeded the original target of 45 pieces of legislation (custom indicator).

Element Indicator Narrative \ 2 Governing Justly & Democratically \ 2.4 Civil Society \ 2.4.2 Media Freedom and Freedom of Information

Under this indicator, the project activity exceeded the original target of 4 media civil society organizations supported by USG by one (1) organization (the actual final indicator is now 5 organizations). The reason for this is that an unforeseen opportunity to finance an inter-sectoral media advocacy group came up in 2007, aimed at revising two key media laws; the Law on Broadcasting and the Law on Public Service Broadcasting. Key achievements under this indicator are as follows: (i) improved self-regulation in the media sector, (ii) increased skills and capacity of journalists and news editors, (iii) greater degree of enforcement of the Law on Free Access to Information, (iv) increased accountability during the PBS transformation process thanks to watchdog activities, and (v) an inter-sectoral effort to fix and close gaps in the key media laws. The target for 2008 is necessarily lower (i.e., 3 organizations) because the ORT CA will end in January 2008 and therefore this is the number of organizations we believe can realistically be supported prior to that end date.

Program Area Performance \ 4 Economic Growth \ 4.1 Macroeconomic Foundation for Growth

The trend of improved performance of majority of key indicators relevant for the macroeconomic foundations for sustained growth continued in the past year. Unemployment decreased to 15.5%; revenue performance improved so far is 24.82% higher than the planned 9 months into 2007 and is 26.24% higher for the same period last year. The central government debt decreased including some early buy-outs of long-term debt; privatization proceeds increased by 42% compared with the same period last year and the budget year is projected to once again end with a significant surplus. Sustainable GDP growth of an average of 6% (estimation of GDP for six months of 2007 indicates the GDP growth at the rate 6.9 %) along with the other improvements noted have led to an improvement of the long-term credit rating of Montenegro from "BB" to "BB+" and confirmation of its short-term rating at "B".

Activities provided under this project have assisted the Government of Montenegro in establishing a sustainable legal and institutional infrastructure appropriate to a modern market economy. Particular emphasis was placed on strengthening the capacity for implementation of fiscal policy for both revenue and expenditures within the MOF and its related entities. Specifically it included assistance to the MOF on its internal structure, procedures and staffing, and budgeting capacity as well as support to the Treasury on enhanced application of modern treasury policies, practices and systems. This work is vital in supporting improved budget execution and transparency. Other components of the program are described under the Business Enabling Environment element.

USAID once enjoyed the position as the main donor providing Macro economic assistance under this program element among the donor community. However, over the last year since Montenegro's independence additional bi-lateral donors have set up operations and are offering a wide range of policy and legislative assistance leveraging USAID's past work. With the signing of the SAA with the EU and the scheduled end date of this assistance instrument scheduled for June 2008, the USG is preparing to exit this sector through a stand alone activity as the EU and other donors take the lead.

Program Element Performance \ 4 Economic Growth \ 4.1 Macroeconomic Foundation for Growth \ 4.1.1 Fiscal policy

USG interventions under this activity focused on consolidate GoM reforms to further Montenegro's efforts to increase foreign and domestic investors. Key among these efforts was building the capacity within government agencies and institutions in place to effectively implement their market based reforms. Such activities worked on improving the institutional ability to provide fiscal services; implement fiscal policies in accordance with international standards; and adequately train policy makers and government officials to carry out their new roles and responsibilities in the fiscal policy area. In 2007 resources were focused on strengthening structural reforms within the Ministry of Finance (MOF), including assistance to the MOF on improving its work on developing its internal structure, procedures, staffing. Work with the MOF also helped improve its budgetary preparation capacity through the use of modern Treasury Operations, Budget Planning and Preparation, Revenue Forecasting, Debt Management, Regulatory oversight of the Accounting profession, and simplification of tax policies.

Specific accomplishments included, Support in reorganization of the MOF and establishment of policies and procedures for effective oversight role of the MOF over the other executive branch budgetary units. Work was completed on developing a fraud prevention plan for the Ministry of Finance lays out a clear long term strategy to mitigate the possibility of fraud, waste, and abuse within government.

Additional work provide firm assistance in improving the MOF's ability in "program budgeting" techniques. Specific assistance provided policy advice on the key considerations that need to be taken into account when considering the transfer of extra-budgetary funds into the Central Budget, completing a full review on techniques of producing a "Program and Performance Budget" that incorporated a GoM approved Country Action Plan outlining tasks, timelines and responsibilities for the MOF, executive branch budget users and the State Audit Institute.

Finally efforts helped established a performance monitoring unit for undertaking financial analysis of GoM spending and contributed to the amendment of the Organic Budget Law as well as provided training, organizational and IT supports activities including computer hardware that enabled the US Treasury developed DMTS to become fully operational within the DCMU.

Element Indicator Narrative \ 4 Economic Growth \ 4.1 Macroeconomic Foundation for Growth \ 4.1.1 Fiscal policy

1. 2 of the 5 elements tracked as part of measuring the progress by this indicator, were delayed as a result of external factors. While some improvements were seen in data preparation internally by this policy unit, overall data collection and its use as measured under this indicator was limited due to the fact that the official GoM statistics institution's ability to provide reliable data is weak due to its reorganization and understaffing.

2. Key staff members of the Ministry of Finance's fiscal policy unit were unable to participate in scheduled training due to their activities in preparation of Montenegro's Stabilization and Association Agreement (SAA) with the EU. The small size of the Ministry's staff, places considerable limits on the absorptive

capacity of the Ministry and its staff. Staff were not available for such training until after work was completed on the SAA. Most of the planned training for staff in this unit was moved to the last quarter of 2007.

Program Area Performance \ 4 Economic Growth \ 4.2 Trade and Investment

Trade liberalization and accession to the World Trade Organization (WTO) are crucial to economic growth and increased foreign direct investment in Montenegro. Adoption of WTO-required policies and procedures should ensure a stable, investor-friendly environment that provides the protections and level playing field necessary to attract foreign investors. Montenegro has already met WTO legal, regulatory and institutional requirements in a number of areas, including the intellectual property, customs and foreign trade. The accession to the WTO is expected in late 2008, by which time Montenegro will finalize its legal reforms and qualify for WTO membership. WTO membership will warrant Montenegro's full acceptance into the international trade community and an important milestone in achieving its longer-term objective of Euro-Atlantic integration.

The FY 07 OP expected that Montenegro would join the WTO in 2007. That estimated time line has been revised to September of 2008. In our plan for FY 2007, there was a plan to assist the GoM with 10 submissions of new requests for information, offers, or other formal text for the WTO accession working group meetings. However, only 9 were submitted. The original target of 10 was based on past experience working in this area. Actual submissions of information for the WTO process and working group meetings depend on the accession process and requests for information from WTO member states, which may or may not have requests for the acceding country. In addition given the fact that the majority of the requested info and work required for Montenegro to qualify for membership has been completed in 2007, there was not as great a need to provide as much assistance, therefore only 9 submissions were made as opposed to the target of 10.

In FY 2008 targets are considerably lower because Montenegro is close to WTO Accession. The majority of work regarding requests, legislations, and revision of documents were completed during 2007. A few remaining improvements to enabling legislation remain outstanding and recent working group meetings indicate the GoM will be able to accomplish these remaining tasks required to qualify for WTO membership. There was a delay of legislative action due to a prolonged period of heated debate in the Parliament of Montenegro over the passage of its new Constitution. According to WTO working group discussions with the GoM it is expected that Montenegro will join the WTO by September 2008.

Program Element Performance \ 4 Economic Growth \ 4.2 Trade and Investment \ 4.2.1 Trade and Investment Enabling Environment

During FY 2007, the USG participated in bringing the Government of Montenegro (GoM) many steps closer to the World Trade Organization (WTO) Accession. Activities during FY 2007 assisted the GoM in drafting supporting documents before the third Working Party Meeting (held in Geneva in March 2007) and in preparing answers on questions raised by WTO Members after the Working Party Meeting. Progress towards WTO accession is measured by the completion of a series of requirements, including written submissions and Working Party Meetings.

Additionally, support was provided in the form of drafting revisions of reports on topics such as offer of goods, industrial subsidies, privatization and domestic support in agriculture for 2006. The USG also contributed in drafting specific laws necessary for WTO Accession and, in some cases, seeing them through

to adoption by the GoM. A Veterinary Law, Food Safety Law, Regulation on Recognition of Intellectual Property Rights Law, Plant Variety Protection Law and draft law on Protection of Undisclosed Information are such examples. Finally, laws on technical regulations, standards, sanitary and phyto-sanitary issues and tariff barriers as well as a legislation necessary to establish an Intellectual Property office were drafted but not yet adopted.

Montenegro has nearly completed all required legislation necessary to move forward with WTO Accession. The GoM hopes to complete WTO Accession by September 2008. One of the last Working Party Group meetings is scheduled for February 2008. The Government of Montenegro has request increased political engagement by the U.S. (to reach resolution on issues) during FY 2008.

Items not addressed from the Program Element Narrative Checklist do not apply.

Element Indicator Narrative \ 4 Economic Growth \ 4.2 Trade and Investment \ 4.2.1 Trade and Investment Enabling Environment

The estimated time line for Montenegro to join WTO has been revised to September of 2008. The target to assist the GoM with 10 submissions of new requests for information, offers, or other formal texts for the WTO accession working group meetings fell short and only 9 were submitted. The original target of 10 was based on past experience working in this area. Actual submissions of information for the WTO process and working group meetings depend on the requests for information from WTO member states for the acceding country. Given the fact that the majority of the requested info and work required for Montenegro to qualify for membership was completed in 2006, there was not a need to provide as much assistance in FY 2007. FY 2008 targets are considerably lower because Montenegro is close to WTO accession. The majority of work regarding requests, legislation, and revision of documents were completed during 2006 and 2007. A few remaining legislative improvements remain outstanding and recent working group meetings indicate the GoM will be able to accomplish those remaining tasks required to qualify for WTO membership this year. There was a delay of legislative action due to a prolonged period of heated debate in the Parliament of Montenegro over the passage of its new Constitution. According to WTO working group discussions with the GoM it is expected that Montenegro will join the WTO by September 2008.

Program Area Performance \ 4 Economic Growth \ 4.6 Private Sector Competitiveness

Having a functioning legal and economic framework in Montenegro is critical if the country wants to attract the domestic and international investment that will lead to sustained economic growth. Montenegro has a strong legal framework in place to facilitate private sector growth; however Montenegro must continue their ongoing work to institutionalize those reforms, especially in bringing these reforms to the local operational level where businesses operate.

Work under this program area has focused on further developing the legal and institutional infrastructures in Montenegro directly impacting economic growth. In addition providing assistance in developing public and private partnerships at the municipal and regional level that have provided community matching grants that create jobs and generate sustainable income has also been a significant part of this activity.

While Montenegro is improving in some areas such as the time to start a business and improved insolvency procedures, the steps to get to the point of registration still requires multiple steps through a maze of local and republic level government bodies, according the World Bank 2008 Global Report on Doing Business. In addition there is a sever shortage of capacity among local actors both private and public in basic business knowledge that only further exacerbates a very disturbing trend noted in a growing economic development

gap between the Northern region of Montenegro and Southern Region.

The USG plans to end its separate macro level project under this area as the EU and other donors take the lead in providing that assistance. Future USG assistance in this area will focus at the local level to facilitate improving the local business enabling environment through assistance to public and private sector actors. This is an area that is still critically weak, with little donor focus in the past or being planned. This has helped create a rather large development gap between the North and South with the North falling significantly behind the rest of Montenegro in every leading economic indicator.

USG assistance will focus on bridging this gap by strengthening the business environment at the local level and building the local capacity of local actors to leverage future investments from both the private sector as well as planned donor assistance funding that will pour into Montenegro in the next two to three years for infrastructure improvements and EU pre-accession work.

Program Element Performance \ 4 Economic Growth \ 4.6 Private Sector Competitiveness \ 4.6.1 Business Enabling Environment

First launched in 1998, the project was aimed to develop a legislative and government infrastructure that would provide the necessary support to foster private sector growth. Chief among those efforts have been assistance to a package of business enabling laws, work with the commercial courts, basic property ownership rights, bankruptcy, business registration process, assisting in the development and implementation of two five year Government Economic Reform Agendas, efficient, risk-based supervision of commercial banks, effective payment operations, insurance regulation, reformed labor market and pension system with the objective to facilitate enterprise growth, and the continuous strengthening of commercial law reforms coupled with institutional capacity building of the commercial court system. In 2007, as in 2006, efforts have continued on consolidation of institutional reforms adopted thus far. Support to the Commercial Courts to enhance implementation of commercial laws, increase transparency and reduce business barriers; provide assistance to the Business Registry which included input into the design of customer service areas and installation of a new computer system allowing businesses to register on-line through any of the 21 municipal basic courts as opposed to traveling to the capital city of Podgorica. The project provided significant assistance on developing the Law on Bankruptcy allowing them to be moved off the government books, training for commercial court judges; provided policy and operational advice to support the preconditions for pillar 2 pension reforms with detailed analysis of contribution rates payable by contributors and by EU Member States. The project completed its support for the Central Bank of Montenegro (CBOM) through the development of the new Law on Banks creating the needed framework for enhanced supervision of banks in the country, compliance with international Basle Core Principles and EU directives. This project is scheduled to end by June 2008.

Program Element Performance \ 4 Economic Growth \ 4.6 Private Sector Competitiveness \ 4.6.2 Private Sector Productivity

Results in FY07 under the Private Sector Competitiveness Program Element include the implementation of projects generated and launched in FY06 in the first year of the Community Revitalization for Democratic Action, Economic program. This includes assistance for NGOs, associations and public institutions serving the private sector in the form of small scale infrastructure, productive equipment, technical and business trainings and promotional materials and activities. In addition, the organizations spun-off from FY 2006 activities to carry on development activities in north Montenegro continued to gain strength. They

underwent organizational restructuring and assumed increased managerial responsibility for their respective organizations.

Host Country Commitment: Aside from some resistance and lack of understanding much earlier in the program, active partnership from local stakeholders on the community, municipality and national levels in both the public and private sectors has been a hallmark of this project. USG assistance activities continue to benefit from willing partnership on all levels, though a decreasing budget has meant fewer activities, putting us more frequently in a position to decline new endeavors originating from past partners.

Element Indicator Narrative \ 4 Economic Growth \ 4.6 Private Sector Competitiveness \ 4.6.1 Business Enabling Environment

The target was to adopt 3 core commercial laws in 2007, which provides a functioning legal framework that is conducive for private sector growth. In 2007, only the Law on Insurance was adapted, while the draft laws regulating property rights were not adopted pending the adoption of the Constitution of Montenegro that will set basic ownership principles. Those constitutional principals governing private property rights will impact the structure of both the Law on the Property of the Republic of Montenegro and the basic law on ownership and property rights. This will likely increase the target set for 2008 as it is expected that these laws will be adopted by FY 2008.

Element Indicator Narrative \ 4 Economic Growth \ 4.6 Private Sector Competitiveness \ 4.6.2 Private Sector Productivity

During FY 07, targets were exceeded for both indicators. Targets exceeded under the 'firms assisted' indicator is a result of FY 06 activities. Many projects generated and firms identified in FY 2006 under a local economic growth activity received further assistance in FY 07. 13 municipalities were engaged in dialogue under the public-private dialogue mechanisms indicator, despite reduced coordination with Local Economic Development Councils because of the expanded role of spin-off organizations such as the Foundation for the Development of Northern Montenegro and the Center for Sustainable Tourism Initiatives.

For FY08, indicators were adjusted downward to reflect a declining budget and reduced geographic scope. For instance, the number of firms assisted was reduced by 25% because fewer trainings, organizational grants and consultancies are expected in a year where the budget is significantly lower than in past years. With regard to public-private dialogue mechanisms, the lower budget resulted in a scaling back of municipalities from 13 to 5. For this reason, USG partners will work with fewer established Local Economic Development Councils, each one of which is a distinct mechanism for public-private dialogue.

Element Indicator Narrative \ 4 Economic Growth \ 4.6 Private Sector Competitiveness \ 4.6.4 Program Support (Private Sector)

In February 2007 Mr. Silcox from USAID/EGAT visited Montenegro to collect baseline data for the concept paper for a new Local Economic Development Project. He visited several northern municipalities and had meetings with representatives of municipal governments, businesses, NGOs, media, USAID implementers etc. The findings have been incorporated into the concept paper for the LED project focused on the northern region of Montenegro scheduled to start in the second part of 2008.

The evaluation of CRDA-E and the Private Sector Development and Competitiveness Project (MCP) was conducted in August 2007 to provide USAID/Montenegro with an objective impact evaluation of two key

USAID/Montenegro programs that are closing. The evaluation's findings will be applied to the design of a follow on Local Economic Development project. The evaluation summary report will be shared with the Government of Montenegro and the larger donor community to guide them in their work as well. The results will also be used by the Business Growth Initiative (BGI) Project of EGAT/EG to disseminate lessons learned and best practices in enterprise development.

Key Issue Performance \ Local Organization Capacity Development

The watchdog NGO monitoring the PSB has raised awareness within the organization in its failures in fulfilling its duty to the public to be impartial. Internally, nine news editors and lead journalists have been trained by the USAID project in how to better structure news programs to be impartial. The FAI Law continues to be enforced thanks to media NGOs alone - without their efforts, the response rate for such request by government bodies would significantly decline casting a shroud of secrecy over government actions and work. In fact in the last year only one private citizen has filed a complaint for non-compliance with the FAI, with all the other cases filed by NGOs. The NGO and media sector came together in 07 to strengthen and improve key media laws. The self-regulatory body for ethics has prevented many instances of ethics violations within the Montenegrin press and has served to minimize cases of hate speech made through or by media outlets.

Key Issue Performance \ Microenterprise

In micro-enterprise development, USG assistance has primarily focused on capacity building with NGOs and associations whose members are entrepreneurs and farmers or public institutions which provide services to the private sector. Sub-grants fund technical assistance, operational equipment, innovative productive equipment or promotional assistance designed to advance private sector development and to act as a model to peers to encourage replication of these activities. It should be noted that most enterprise level assistance has been done through our tourism initiatives in which we work with individual entrepreneurs on product/service development, hospitality training, and promotion in addition to providing them with direct business linkages with tourists.

Key Issue Performance \ Trade Capacity Building

World Trade Organization (WTO) Accession is an important adjunct to trade capacity development because the reforms of trade-relevant legislation to meet WTO standards substantially improves the legal environment for trade, and thus encourages its increase. Major areas of improvement during FY 2007 include customs administration, which must meet international standards, conformance of technical regulations and standards to international norms that prevent their use as trade barriers, reductions of subsidies and other protectionist measures, and greatly improved protection of intellectual property.

Key Issue Performance \ Civil Society

Watchdog NGOs have increased the effectiveness of government implementation of legislation in key areas, such as urban planning, conflict of interest, labor rights, and environmental legislation. A 200 strong NGO coalition adopted a National Strategy for NGOs, including a code of conduct, a MOU of NGO-Government Cooperation, and reform of the public system of NGO financing; thus greatly advancing the cause of self-sustainability in the sector. It has been noted that where the watchdog / advocacy focus of NGOs is pulled away from the law, the rate of law enforcement / rule of law decreases. NGOs are the most active sector on

behalf of citizens' rights than any other sector in Montenegro. They are crucial to the reform process, to EU integration, and to holding the government accountable for their actions or inaction in almost every important sector in the country. Additionally USAID sponsored NGO work in enforcing the newly passed FAI, where it was noted that cases of non-responsiveness of government bodies, were successfully addressed to the Administrative and Supreme Courts. This is one of the rare instances in the region where NGO litigation as a mechanism to realize citizens' rights seems to have helped to set norms through judicial practice.

1 Peace & Security - Russia

1.6 Conflict Mitigation and Reconciliation\1.6.1 Conflict Mitigation

Number of people attending USG-assisted facilitated events that are geared toward

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
1,225	2,950	2,020	5,350	5,350

1.6 Conflict Mitigation and Reconciliation\1.6.1 Conflict Mitigation

Number of people from 'at-risk' groups reached through USG-supported conflict mitigation

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
479	3,200	8,250	450	7,500

1.6 Conflict Mitigation and Reconciliation\1.6.1 Conflict Mitigation

Number of USG-assisted facilitated events geared toward strengthening understanding and mitigating

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
38	43	63	76	76

534
chars

1.6.1 Conflict Mitigation narrative (no more than 1500 characters)

The discrepancy between FY07 targets and FY07 actual data for some of the indicators is explained by the unexpected lengthy NGO re-registration process with the Russian Federal Registration Service that started in October 2006, when USAID/R was setting FY07 targets. At that time all foreign NGOs working in the NC had to suspend their activities for 2-3 months until they re-registered, delaying significantly the timeframe for reaching FY07 targets. Despite these obstacles project performance in other areas exceeded expectations.

2 Governing Justly & Democratically - Russia

2.1 Rule of Law and Human Rights\2.1.2 Judicial Independence

Number of Judges Trained with USG Assistance

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	Number of women					Number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
3,437	400	591	300	200	1,421	160	266	120	80	2,016	240	325	180	120

**607
chars**

2.1.2 Judicial Independence narrative (no more than 1500 characters)

During the reporting period, 591 Russian judges and 120 other court staff participated in USAID programs. FY2007 actual results exceeded expectations because the Russian court system, noting the success of the program, has funded the costs for many participants. The FY2008 revised target is lower given that the current award will end early in FY2008. Another USAID implementer in the judicial sector hosted several dozen exchange participants through the USG "Open World" program who subsequently participated in USAID programs in Russia (these exchange participants are not included in the 591 figure).

2.1 Rule of Law and Human Rights\2.1.4 Human Rights

Number of domestic human rights NGOs receiving USG support

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
78	80	81	81	129

**345
chars**

2.1.4 Human Rights narrative (no more than 1500 characters)

USAID has raised the FY08 target from 81 to 129 to reflect budget increases received in the form of recoveries that were not anticipated when the FY2008 target was originally set. These funds will dramatically expand the geographic reach of the program through a grant to the Moscow Helsinki Group and reflect positively on the FY2008 target.

Number of Individuals Who Received USG-Assisted Training, including management skills and Fiscal Management, to Strengthen Local Government and/or Decentralization.

					Number of women					Number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
22,500	1,900	5,567	1,900	2,500	11,250	950	3,297	950	1,250	11,250	950	2,270	950	1,250

2.2 Good Governance\2.2.3 Local Government and Decentralization

Number of Laws or Amendments Promoting Decentralization Drafted with USG Assistance

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
170	9	14	10	10

666

2.2.3 Local Government and Decentralization narrative (no more than 1500 characters)

chars

Regarding the number of individuals receiving training, the FY2007 actual is higher than the FY2007 target because of the availability of additional funding that permitted additional trainings to be held. The increase in the FY2008 target is based on an overall increase in program funding but is anticipated to be less than FY2007 actual results as the project will transition from training to one-on-one consultations.

Under the indicator the "Number of Laws or Amendments Promoting Decentralization Drafted with USG Assistance," the Mission is actually reporting the number of laws "enacted," which is more relevant and will be used in future OP submissions.

2.3 Political Competition and Consensus-Building\2.3.2 Elections and Political Processes

Number of Domestic Election Observers Trained with USG Assistance

					Number of women					Number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	15,000	163	57,000	6,000	-	7,500	80	28,500	3,000	-	7,500	83	28,500	3,000

577

2.3.2 Elections and Political Processes narrative (no more than 1500 characters)

chars

The early termination of one of our election partners (the Russian Foundation for Free Elections) at the request of Washington severely damaged the ability to fulfill the original goals of this element. Our remaining major partner in elections will do most of their trainings for observers closer to election day (December 2nd, 2007), and the total number of persons trained will be much less. In FY2007, only certain specialist observers and a small number of coordinators were trained under USAID agreements with the Foundation for Information Policy Development and Golos.

2.3 Political Competition and Consensus-Building\2.3.3 Political Parties**Number of Individuals who Receive USG-Assisted Political Party Training**

					Number of women					Number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	1,200	900	1,400	900	-	-	-	-	-	-	-	-	-	-

2.3 Political Competition and Consensus-Building\2.3.3 Political Parties**Number of political parties and political groupings receiving USG Assistance to articulate platform and**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	60	40	70	40

425

2.3.3 Political Parties narrative (no more than 1500 characters)

chars

The extremely challenging political environment and rising official sentiment against "interference" from international donors in Russia led to lower than expected results in this area. In particular, the National Democratic Institute failed to meet its FY2007 targets, and was unable to find a replacement chief of party. The ability to achieve targets in this area is constrained by a lack of host government receptivity.

2.4 Civil Society\2.4.1 Civic Participation

Number of Civil Society Organizations using USG Assistance to Improve Internal Organizational

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	1,500	2,000	900	-

2.4 Civil Society\2.4.1 Civic Participation

Number of CSO Advocacy Campaigns Supported by USG

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	70	520	70	300

2.4 Civil Society\2.4.1 Civic Participation

Number of People who Have Completed USG Assisted Civic Education Programs

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	Number of women					Number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	5,500	9,000	5,000	9,000	-	2,750	4,500	2,500	4,500	-	2,750	4,500	2,500	4,500

664
chars

2.4.1 Civic Participation narrative (no more than 1500 characters)

The exceptional success achieved within this element is due to two main factors. One, the Russian Federal law on local self-governance, originally passed two years ago, finally came into force during FY2007. This cleared the way for many local governments to participate actively in these programs, bringing with them additional financial resources. Second, several partner organizations in this element chose to concentrate in the areas of housing and health, which were very "hot" topics for Russian governmental institutions in FY2007. Based on these developments, we anticipate exceptional performance in FY2008 and have adjusted FY2008 targets accordingly.

Number of Journalists Trained with USG Assistance

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	Number of women					Number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
2,700	2,700	4,083	2,950	3,500	1,350	1,350	2,401	1,475	1,750	1,350	1,350	1,682	1,475	1,750

2.4 Civil Society\2.4.2 Media Freedom and Freedom of Information

Number of Media Civil Society Organizations and/or Support Institutions Assisted by USG

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
9	10	11	13	15

2.4 Civil Society\2.4.2 Media Freedom and Freedom of Information

Number of Media Outlets that Received USG-supported Training to Promote Financial

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
600	600	810	850	950

2.4 Civil Society\2.4.2 Media Freedom and Freedom of Information

Number of Non-state News Outlets Assisted By USG

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
780	810	1,046	1,000	1,150

303

2.4.2 Media Freedom and Freedom of Information narrative (no more than 1500 characters)

chars

Results exceeded targets, especially in the area of training given exceptional demand for USAID training courses throughout the year. These trainings combined low-cost, high-quality, and an emphasis on the mid-career media professional that was a rare and sought after commodity on the Russian market.

3 Investing in People - Russia

3.1 Health3.1.2 Tuberculosis

Number of people trained in DOTS with USG funding

					number of women					number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
7,710	1,160	1,297	1,160	1,100	2,570	380	900*	380	700	5,140	780	497*	780	400

3.1 Health3.1.2 Tuberculosis

Percent of all registered TB patients who are tested for HIV through USG-supported programs

					number of women					number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
75	75	90	80	90	-	-	-	-	-	-	-	-	-	-

908 3.1.2 Tuberculosis narrative (no more than 1500 characters)

chars

In USAID-supported regions the percentage of TB patients tested for HIV in FY2007 reached or exceeded 90%. FY2008 targets have been revised accordingly. Training statistics by gender were not collected in all cases. However, based on previous experience and available data, estimates of training by gender are provided above. Since basic training in demonstration sites for target groups has largely been completed, it is expected that the total number of people trained in TB control may decline in FY2008. Changes in targets have been made accordingly. Note: The FY2007 target for women trained in DOTS was 780 and the target for men was 380. This is incorrect in the template above, which the Mission cannot edit. This template erroneously shows the FY2007 targets for men in the field for the target for women and vice versa. In reality, both the targets for men and women were exceeded in FY2007.

3.1 Health3.1.5 Other Public Health Threats

Number of medical and para-medical practitioners trained in evidence-based clinical guidelines

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
300	600	645	700	700

254 3.1.5 Other Public Health Threats narrative (no more than 1500 characters)

chars

The FY2007 targets for USAID-supported activities in the "other public health threats" element were exceeded. 645 care providers were reached through training-related activities on topics including HIV/AIDS opportunistic infections and TB co-infection.

3.1 Health3.1.7 Family Planning and Reproductive Health

Number of counseling visits for Family Planning/Reproductive Health as a result of USG assistance

					number of women					number of men (do not use, no need to disaggregate)				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	60,200	1,400,000	90,400	1,600,000	-	54,050	-	81,100	-	-	6,150	-	9,300	-

3.1 Health3.1.7 Family Planning and Reproductive Health

Number of people that have seen or heard a specific USG-supported FP/RH message

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	4,000	25,000	7,000	7,000

3.1 Health3.1.7 Family Planning and Reproductive Health

Number of people trained in FP/RH with USG funds

					number of women					number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	150	600	300	1,000	-	142	568	285	285	-	8	32	15	15

Number of USG-assisted service delivery points providing FP counseling or services

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	130	198	170	220

944 3.1.7 Family Planning and Reproductive Health narrative (no more than 1500 characters)

chars
 The FY2007 targets for this indicator were exceeded and the FY2008 targets have been updated to reflect broader, overall results achieved under the integrated Family Planning/Reproductive Health project. Also, a greater number of clients were reached because a greater than anticipated number of healthcare workers were trained, including people trained under local/regional budgets. The FY2007 actual results are also higher than anticipated because they include results achieved using UNFPA funds. For this reason, the actual results achieved in FY2007 are several times higher than the planned targets. FY2008 targets have been revised upward accordingly. FY2007 results included achievements of two USG-supported partners--the Institute for Family Health and Healthy Russia. FY2007 results have been adjusted to eliminate the possible double-counting of service delivery points where USG-supported partners are working in partnership.

3.3 Social and Economic Services and Protection for Vulnerable Populations\3.3.2 Social Services

Number of people benefiting from USG-supported social services

number of women					number of men					vulnerable children					other targeted vulnerable people					war victims					victims of torture					
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	
200	500	24,000	2,500	48,000	100	250	12,000	1,250	24,000	100	250	12,000	1,250	24,000			24,000		48,000											

491 3.3.2 Social Services narrative (no more than 1500 characters)

chars
 The provision of services for orphans and vulnerable children was a focus area for USAID/Russia in response to Congressional priorities. Targets have been adjusted upwards for FY2008 to reflect higher than expected numbers reached during FY2007. The combined FY2007 indicator target originally did not include vulnerable children (as it was a separate implementing mechanism level indicator in the original FY2007 OP) which explains the difference between FY2007 target and actual results.

4 Economic Growth - Russia

4.7 Economic Opportunity\4.7.1 Inclusive Financial Markets

Number of clients at USG-assisted microfinance institutions

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	number of women					number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
121,845	27,050	39,538	88,780	88,587	73,107	16,230	23,729	53,268	53,104	48,738	10,820	15,809	35,512	35,483

4.7 Economic Opportunity\4.7.1 Inclusive Financial Markets

Number of microfinance institutions supported by USG financial or technical assistance

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
600	204	279	307	307

0 chars

4.7.1 Inclusive Financial Markets narrative (no more than 1500 characters)

