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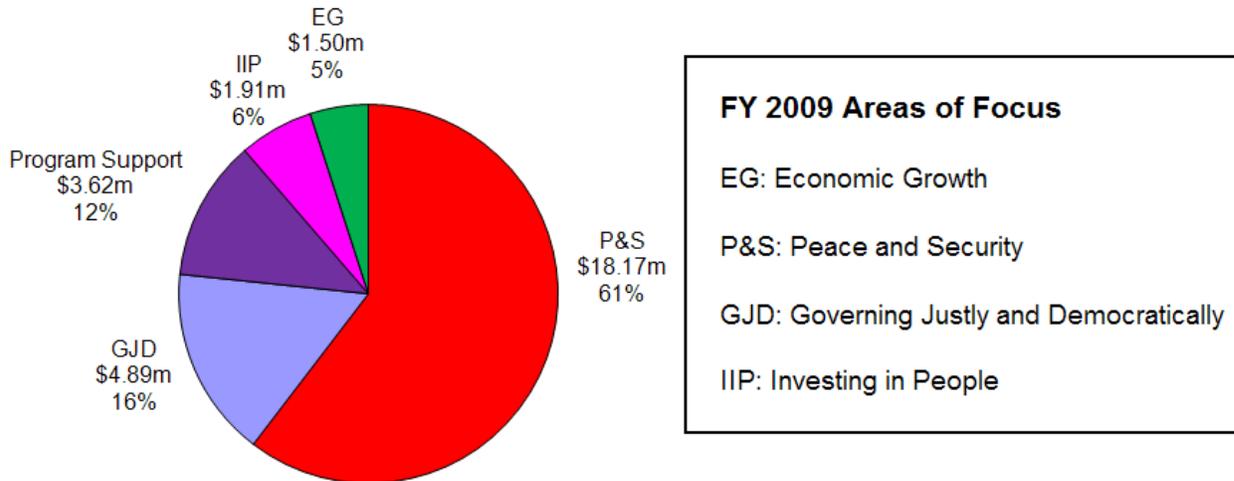
U.S. FOREIGN ASSISTANCE PERFORMANCE PUBLICATION Fiscal Year 2009

FY 2009 FOREIGN ASSISTANCE GOALS

Over the last two decades, the United States, Europeans and other donors have made substantial investments to bring about the political and economic transformation of Southeastern Europe. Although these investments have yielded improved regional stability and moved the countries of the region closer to integration into Euro-Atlantic structures, this transformation is far from complete. For example, the charged political climate in Bosnia and Herzegovina (BiH) continues to impede progress on consolidating state institutions, advancing inter-ethnic reconciliation, and ensuring the country's ultimate integration in Europe. While Kosovo's emergence as an independent state has set the stage for strengthening its democratic institutions and building a tolerant, multi-ethnic society, Serbia's non-recognition of Kosovo's independence poses a challenge to Kosovo's timely integration into regional and international structures. Simultaneously, the impact of the global financial crisis lingers as countries try to balance budgets in the face of declining tax revenues and oversized public sectors, and to respond to limited access to credit and slowing investment and remittances.

Continued modest levels of assistance through multilateral mechanisms have helped to solidify progress to date as well as prevent significant backsliding in the face of recent challenges. Through regional funding, the U.S. Government (USG) supports programs that supplement bilateral activities in areas such as crime, trade, energy and regional security, which are by nature multilateral. Regional studies, assessments and workshops in the democracy and health areas provide resources for comparative evaluation of progress and promote USG understanding of key issues facing the region.

TOTAL FY 2009 FOREIGN OPERATIONS APPROPRIATED ASSISTANCE: \$30.08 M*



(*Foreign Operations funding appropriated for FY 2009, not including centrally managed, multi-regional Foreign Operations funding that benefits, but is not specifically budgeted for the European region.)

HIGHLIGHTS OF FY 2009 PERFORMANCE BY AREA OF FOCUS

Peace and Security

In FY 2009, USG assistance:

- Trained over 200 police officers from Albania, BiH, Bulgaria, Macedonia, Montenegro, Romania and Serbia at the International Law Enforcement Academy (ILEA) in Budapest. More of ILEA-Budapest's graduates are assuming top leadership positions in their national judiciaries and law enforcement agencies, including one graduate now serving as Minister of Interior of Bulgaria who has staffed senior positions in the ministry with fellow graduates of the ILEA and FBI Academy programs.
- Provided technical and financial support to the Southeast European Cooperative Initiative Center for Combating Trans-Border Crime (SECI) Center in Bucharest, which coordinated joint investigations and facilitated information exchanges between police agencies in the region. Major joint operations included an effort in April 2009 by the police forces of Bosnia and Herzegovina (BiH), Croatia, Slovenia and Austria directed against an international organized crime group illegally transporting people to Europe, resulting in the detention of 52 persons.
- Supported a SECI Center operation targeting money laundering, bribery and corruption that resulted in the detention of a former senior government official from Macedonia following the investigation conducted by the Macedonian Ministry of Interior and Prosecutors' Office. Working through the SECI Center to obtain information, documents and evidence from the Ministry of Interior and Prosecutors' Office of Hungary, the Prosecutors' Office has charged the official with abuse of office, money laundering and receiving other criminal income.
- Contributed to a draft Southeast European Law Enforcement Center (SELEC) Convention that has achieved several goals. The convention: (1) sets forth data protection principles and

rules that are compatible with both European Union (EU) and non-EU laws and practices, including those of the United States); (2) increases the capabilities of SELEC with respect to those of SECI Center, and (3) confirms SECI Center's legal identity. This paves the way for improved cooperation with EU bodies, EUROPOL, and authorities in EU member states.

- Contributed to the work of the Organization for Security and Cooperation in Europe (OSCE) missions in Southeastern Europe. In Kosovo, the OSCE Mission drafted the Kosovo Integration Strategy addressing minority rights, which was subsequently adopted by the government. In Albania, the OSCE played an important role in monitoring parliamentary elections, particularly in voter identification and registration. In Macedonia, the field mission helped support peaceful presidential elections in March 2009, opened a police training center and initiated a project to help Roma representatives communicate more effectively with the Macedonian Government.
- Contributed to the activities of the Regional Cooperation Council (RCC), an organization run by the countries of the region that, as the successor to the Stability Pact, promotes collaborative approaches to common problems. In FY 2009, the RCC conducted a workshop for parliamentary committees responsible for energy security and created a Southeastern and Central Europe catastrophe risk insurance facility in order to provide access for homeowners and small and medium-sized enterprises (SMEs) to affordable insurance against natural disasters.

Governing Justly and Democratically

In FY 2009, USG assistance:

- Supported a regional network of investigative journalists in Southeast Europe through the Organized Crime and Corruption Reporting Project (OCCRP), which published four major investigative reports that included dozens of stories during 2008-2009. One particular report by OCCRP's local BiH partner, the Center for Investigative Journalism (CIN), led to the resignation of the Federation Prime Minister in BiH due to reporting that uncovered his purchase of an apartment at below-market rates.
- Provided support for a regional small grants program for non-governmental organizations (NGOs) to increase access to diverse and objective information, promote government accountability and transparency, and bolster interethnic dialogue. Among the projects supported, a grantee in BiH promoted local government reform, helping nine of the ten Municipal Councils in its two target Cantons adopt measures to enable the legal formation of municipal wards, and double the number of registered wards. Citizen participation has also increased, with representatives from 86 municipal wards now regularly attending municipal council sessions and assisting their local wards. In Macedonia, an NGO worked to train youth leaders to form and register new NGOs and conduct a nonpartisan voter education program for close to 4,000 high school students in 12 cities as well as a number of rural areas ahead of the 2009 presidential elections. Following the campaign, an independent survey of over 3,000 young people found that 58% of students surveyed after the program had voted in the spring 2009 elections, 62% agreed that youth participation in political processes was important for the well-being of their community, and almost 25% were members of an NGO.

- Provided small grants to indigenous Balkan media organizations to increase access to diverse and objective information, promote government accountability and transparency, and bolster interethnic dialogue. One grantee in Albania launched independent radio programming to reach Tirana and most of central Albania, developing and broadcasting new shows, producing more than 10 original programs under the brand name “RadioAktive.” Another grantee produced “Herzegovina Online,” the only radio program produced and broadcast in both entities of BiH. New episodes of “Herzegovina Online” aired twice a week, with each 30-minute show featuring headline news, an in-depth feature story, a report on an issue common to each region, and a cultural segment highlighting upcoming events. The grantee also expanded its network, Media Service, including 37 radio stations reaching up to a million listeners throughout BiH.

Investing in People

In FY 2009, USG assistance:

- Produced 10 publications, including a report entitled “Improving Family Planning Pre-Service Education: Experience from the Eastern European and Eurasian Region” on lessons learned in the family planning and reproductive health sector in Albania. The report now serves as a resource for countries in the region to improve medical training for family planning practitioners.
- Supported scholarly research relevant to current policy needs through the Title VIII program, including a study of Albanian educational actors and their role in Albanian democratization and BiH’s higher education system and whether it can be harmonized with EU standards and systems. Distribution of these papers and related events helped inform analysts and policy makers of the latest research in the field.

Economic Growth

In FY 2009, USG assistance:

- Developed, tested and promoted global use of an integrated set of “model” tools for closing compliance gaps between current practices and international standards of financial transparency and accountability as defined by the International Accounting Standards Board and the International Federation of Accountants.
- Supported the region’s only standing Animal Health, Plant Health, and Food Safety Working Groups, in order to better communicate and coordinate the implementation of food safety measures in the region based on least-trade-restrictive World Trade Organization guidelines.
- Supported 11 financial sector workshops attended by a total of 283 participants (both public and private sector) on corporate governance; insurance fraud and prevention of money laundering; insurance supervision; international standards in internal audit of central banks and financial services regulatory authorities; investor relations; and reporting on environmental, social and governance issues.
- Helped the region take steps toward an integrated energy market by supporting the creation of a Coordinated Auction Office (CAO) for electricity transmission system management. Montenegro was designated as the seat of the CAO.

- Helped Albania and Montenegro with the development of EU-compliant gas laws. Partially as a result of USG technical assistance, Albania enacted the law and established a gas regulator. The Government of Montenegro has submitted to the Parliament a draft law that is expected to be passed in 2010.
- Helped 1,063 firms in the region to improve their management practices and 140 firms to invest in improved technologies. Private business associations participating in USG-funded activities gained 300 new members. Firms participated in training on internationally recognized productivity and process improvement methodologies to improve their efficiency and profitability as well as their capacity to work with larger companies.
- Provided training to more than 2,400 participants from private businesses on improving management practices through 15 networking events with SME entrepreneurs, lenders, local government officials and NGOs.