

STRATEGIC PLAN FOR TAJIKISTAN

**USAID Regional Mission for Central Asia
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I. ASSISTANCE ENVIRONMENT AND STRATEGIC PRIORITIES

The Mission submits this strategic plan to demonstrate USAID/CAR's strong interest in supporting sustainable economic growth based on democratic principles in Tajikistan. This plan addresses pressing development needs in the economic, democratic, and social sectors. The plan also recognizes both the geo-political importance to Central Asia of a stable Tajikistan and the attention earned by Tajikistan from S/NIS and the National Security Council, as evidenced by the budgetary resources available for USAID work in Tajikistan.

As the Mission's most optimistic scenario of how USAID/CAR can best stay productively engaged in Tajikistan, the plan gives the Mission the flexibility to use windows of opportunity when and where appropriate. It also allows the Mission to end activities that are not producing desired results that benefit the people of Tajikistan.

A. US Foreign Policy Interests

The United States has an interest in an independent and stable Tajikistan, as well as in its development as a market democracy. The US diplomatic mission has identified three major goals, two of which will require substantial USAID involvement:

- Promote human rights, democratization of institutions, and rule of law
- Promote economic reform and, ultimately, American trade and investment

The overall goal of USAID involvement in Tajikistan is sustainable economic growth. To achieve this goal, Mission supports the development of a market economy based on democratic principles. This work includes measures that promote direct foreign investment, including US investment. In this regard, Tajikistan can be distinguished from other Central Asian republics by its unique impediment to transition from Soviet structures to a market democracy. This impediment has been the Civil War (1992-93) and lack of national reconciliation between Government and Opposition during the period 1994-97. During the Soviet period, Tajikistan enjoyed a standard of living which was similar to the other Soviet republics of Central Asia. Income sources were agriculture, minerals, hydroelectric power, and all-Union budget support for construction of infrastructure, housing, the operation of research institutes and educational institutions, and support for social services and benefits, notably health services. In 1992-93 Tajikistan became the only one of the five Central Asian Republics in which the breakdown of Soviet authority, coupled with underlying ethnic, regional, economic, and ideological strains, erupted into open warfare involving large population displacements resulting in immigrants, refugees, and displaced persons. Since 1994, the international community, led by the United Nations (UN), has responded to this tragedy with relief and rehabilitation assistance. While Tajikistan has survived as a single entity, the disintegration of Tajikistan still could threaten regional stability, and deflect attention within the region from economic and political reforms. Tajikistan is the only country in Central Asia with a Persian culture which speaks Farsi. Uzbekistan, Kazakstan, and Kyrgyzstan are predominantly Turkish in culture and language. As such, Tajikistan is an integral part of the diversity of Central Asian peoples.

The Civil War and political-military struggle between the Government of Tajikistan and the United Tajik Opposition (UTO) sapped the human and material resources of the entire country. With its current composition and power base, the Government of Tajikistan has not been fully engaged as a partner in civilian development, and there have been disruptions in transitional programming and economic reforms due to political instability and insecurity caused by political factionalism and criminality.

Since the Civil War, USAID has contributed to Tajikistan's recovery through the international effort led by the UN, which focused on humanitarian relief. Negotiations between the Government and the United Tajik Opposition during 1997 quite possibly will result in a peace agreement, which is slated to include a new government composed of 50 percent opposition members. The successful conclusion of the inter-Tajik talks will provide opportunities for USAID to proceed with a full, transitional program contributing to bringing about a market democracy.

Insecurity for international staff, particularly for the UN and certain PVOs, increased in December 1996-March 1997, as part of the dynamics among Tajik factions in anticipation of a final peace settlement. This prompted Tajikistan's major external partners temporarily to lower their profiles by relocating staff selectively from Tajikistan, and suspending some programs. As the result of the U.N.'s evacuation in the period from February-April 1997, US leadership of the Western donor community was strengthened. The contractors of U.N. agencies, including the International Monetary Fund (IMF) and World Bank, continued to work, and the US Embassy provided security briefings and moral support.

While the U.S. is not a member of the official observers "club" of the inter-Tajik talks, US influence will increase in the post-conflict situation, and when the full transition begins. Unlike the other members of this club such as Russia and Iran, the US has the full range of assistance instruments to bring to bear in Tajikistan through a multitude of USG Agencies such as the State Department, USAID, the Department of Agriculture and the Trade and Development Agency. Assistance instruments include relief and rehabilitation support, post-conflict transitional assistance, assistance for transitional reforms, sustainable development assistance, and eventually trade, investment, and capital mobilization instruments.

Tajikistan receives Freedom Support Act funds administered by USAID/ENI and the Bureau for Humanitarian Response (BHR). BHR made its first allocation of Title II resources to Tajikistan in FY 97. BHR assistance consists of \$5 million in wheat flour through the World Food Program. Tajikistan also receives Freedom Support Act Funds transferred to other agencies, Food-for-Progress grant food aid, and USIA funding. Total cumulative USG funds budgeted as of 9/30/96 were \$151.18 million, of which \$107 million was food assistance.

According to the 1996 Annual Report ("USG Assistance To And Cooperative Activities with The New Independent States of the Former Soviet Union") prepared by the Office of the Coordinator of US Assistance to the NIS, in FY 1997, the US Government plans to provide over \$29 million in assistance to Tajikistan, of which \$23 million will be food assistance and

\$4.4 million will be training and technical assistance in the areas of economic restructuring and privatization, health care and democratic institution-building. The Central Asian-American Enterprise Fund (CAAEF) is expected to increase its activity level in Tajikistan, providing crucial credit for Tajik entrepreneurs. Although humanitarian assistance will still represent the bulk of US Government assistance to Tajikistan, the amount of humanitarian assistance provided will decrease as development opportunities arise.

After the outcome of the current peace talks becomes clear, the post-conflict situation may create opportunities for USAID's Office of Transition Initiatives (OTI) to contribute to elections and demobilization of fighters. USAID will explore options with OTI.

The IMF and the World Bank extended \$72 million in budget assistance to Tajikistan in 1996. IMF staff routinely brief USAID and the Embassy, and the Embassy supports World Bank and IMF conditionality in its dialogue with the government. USAID has coordinated with the Government, the IMF, and the World Bank to provide short-term, grant-funded technical assistance in the economic restructuring area. The Government of Tajikistan does not at present have an Embassy in Washington.

Exact levels of USAID funding for Tajikistan are provided by the budget on the following page, which provides a historical budgetary overview. Limited funding has been effectively used to achieve substantive results in economic, democratic, and social transition.

TAJIKISTAN
USAID Obligations

PROJECTS	Through December 1994	FY 1995 (actual)	FY 1996 (actual)	FY 1997 (estimated)	FY 1998 (projected)
• Special Initiatives	\$ 18,074,547	\$ 4,900,000	\$ 1,700,000	\$ 1,035,000	\$ 400,000
• Energy	-	-	\$ 100,000	-	\$ 500,000
• Environment	\$ 464,054	-	\$ 45,000	-	\$ 1,000,000
• Social Services	\$ 1,718,880	-	-	-	\$ 700,000
<u>-Health Earmarks</u>	<u>\$ 350,000</u>	<u>\$ 533,000</u>	<u>\$ 400,000</u>	<u>\$ 550,000</u>	<u>\$ 900,000</u>
• Private Sector	\$ 1,995	-	\$ 100,000	\$ 100,000	-
• Democratic Reform	\$ 457,160	\$ 850,000	\$ 225,000	\$ 450,000	\$ 1,000,000
• Economic Restructuring	-	\$ 250,000	-	\$ 400,000	\$ 3,000,000
• <u>Eurasia Foundation</u>	-	-	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 1,000,000</u>
• <u>Enterprise Fund</u>	<u>\$ 6,000,000</u>	-	-	-	<u>\$ 3,000,000</u>
• Exchanges and Training	\$ 2,867,886	\$ 1,650,000	\$ 600,000	\$ 600,000	\$ 2,500,000
<u>Ex/Training-Partnership</u>					<u>\$ 150,000</u>
<u>Ex/Training-Exchanges</u>					<u>\$ 100,000</u>
TOTAL PROJECTS:	\$ 29,934,522	\$ 8,183,000	\$ 3,370,000	\$ 3,335,000	\$ 14,250,000
AID/Transfers/Allocation					
• Farmer to Farmer	\$ 393,225				
• USDA Cochran Fellow				\$ 60,000	
• Commerce: SABIT		\$ 30,000			
• Humanitarian Transport				\$ 600,000	
• USIA Training and Exchanges		\$ 1,000,000	\$ 400,000	\$ 450,000	\$ 1,150,000
AID/Transfers/Allocation Total:	\$ 393,225	\$ 1,030,000	\$ 400,000	\$ 1,110,000	\$ 1,150,000
TAJIKISTAN GRAND TOTAL:	\$ 30,327,747	\$ 9,213,000	\$ 3,770,000	\$ 4,445,000	\$ 15,400,000
LESS NON-DISCRETIONARY:	(\$ 6,743,235)	(\$ 1,563,000)	(\$ 1,000,000)	(\$ 1,860,000)	(\$ 6,300,000)
DISCRETIONARY FUNDING:	\$ 23,584,512	\$ 7,650,000	\$ 2,770,000	\$ 2,585,000	\$ 9,100,000

Source: Through December 1994 - NIS Financial Report Date February 13, 1995. Figures represent best estimates only, and include only those projects for which USAID has reporting responsibility; TDA, OPIC, USIS and other Inter-Agency funding transfers are excluded.

FY 1995 - USAID/Washington Budget Planning Sheet; Last edit: September 25, 1995.
 FY 1996 - USAID/Washington Budget Planning Sheet; Last edit: August 29, 1996.
 FY 1997 - USAID/Washington estimates; Budget Planning Sheet; Last Edit: January 3, 1997;
 FY 1998 - USAID/CAR; Revised FY 1998 Budgets, January 30, 1997.

B. Overview and Priorities

The overall goal for U.S. involvement in Tajikistan is sustainable economic growth based on democratic principles. The Strategic Plan 1998-2002 will strongly support this goal. As such, this plan is a watershed for USAID involvement in Tajikistan. It points in new and definite directions, described in detail below in the Market Transition, Democratic Transition, and Social Transition Assistance Areas. In this connection, the majority of Mission activities are presented in strategic objective terminology, but many proposed interventions are simply forerunners to true strategic objectives.

The new strategy for the FY 1998-2002 period assumes progress in the inter-Tajik peace talks leading toward national reconciliation, and seeks to capitalize on the strong Tajik interest in economic and democratic reform. Assuming that the Tajikistan Government sustains a commitment to reform and other preconditions for successful results, the Mission defines in this new strategy two new strategic objectives in market transition and one strategic objective in citizens' participation. The Mission is also restructuring the Reduced Suffering Strategic Objective to emphasize transition from humanitarian relief to more sustainable household income and social services, with evolution by 2002 into a development-oriented Social Benefits Strategic Objective on sustainable social service reform.

The corollary to USAID's past concentration on humanitarian support is that the program to date has consisted of only one strategic objective (SO 3.1) focused on the humanitarian area. From 1994-97, USAID also implemented a variety of limited, special initiatives in economic and democratic development; a significant participant training program designed to acquaint Tajiks with economic and political institutions and processes in the US; and several health-related earmarks. These activities will be deepened and broadened to ensure results in the new Strategic Objective areas. The likelihood of shifting from humanitarian relief in the context of a post-Civil War situation, to transitional programs which promote market democracy, is based on positive diplomatic and internal developments in Tajikistan in 1995-96. The Civil War (1992-93) was a period of communal violence affecting millions of persons who became immigrants, refugees, or internally-displaced persons. Fortunately, the violence on a national scale causing the large, dramatic population movements, ended in 1993. Progress during the 1994-96 period is measured by the completion of relief and rehabilitation measures, and the success of the economic stabilization program which the Government carried out in 1995-6 with assistance from the IMF and World Bank. The relief and rehabilitation measures resulted in resettling most of the temporary Internally Displaced Persons and refugees in their places of residence in minimally satisfactory conditions. The permanent outflux of over half a million professionals and technical persons of European origin continues to hamper recovery and development due to lack of skilled labor. The economic stabilization program permitted minimally necessary conditions for re-launching a modicum of economic activity on a free market basis in the northern and southwest parts of the country, where over 90 percent of the population reside.

Deepening and broadening progress to reverse the continued declines in GDP and social

services will depend on political and diplomatic factors. Transitional reforms and sustainable development will depend on diplomatic-political agreements worked out between the Government of Tajikistan and United Tajik Opposition. The two sides have met intensively and made substantial progress on the basic elements of a peace settlement, first identified formally as an objective in the August 17, 1995 Protocol on Main Principals of Establishing Peace and National Accord in Tajikistan. In December, 1996 in Moscow, President Rahmonov and United Tajik Opposition leader Nuri agreed on a ceasefire. In January 1997, in Tehran, most aspects of a political accord were worked out -- addressing the formation of a Commission on National Reconciliation (CNR), inclusion of the opposition in government positions, and reformation of an Election Commission. A Protocol committing both sides to the return of refugees with the assistance of international organizations was signed. Later, in early February 1997, Rahmonov and Nuri met again and resolved issues of the percentage membership of the CNR and of opposition participation in the government. On March 8, 1997, in Moscow, the two sides worked out a relatively detailed military protocol with a time line for the registration and restructuring of both opposition military units and government security forces. This time line is to start immediately after the CNR begins work, which in turn is three weeks after the signing of a final Protocol on Political Issues (or "peace treaty"), and one on Guarantees.

This Protocol on Political Issues was to have been completed in Tehran in April 1997, with the timing of the resumption of political party activity by the (banned) opposition political parties the only remaining issue. That round was suspended on April 16, and scheduled to resume May 16. While unquestionably a setback to the peace process, there are good reasons to believe that the process will move forward. First, it appears that both Rahmonov and Nuri recognize that Tajikistan's future depends on an early settlement. The country is fragile economically, socially and politically, and cannot take much more stress: they will have nothing left to rule over if they do not find the way to peace. If fighting continues, both sides would be likely to face a military stalemate, and a shrinking manpower pool from which to call up recruits. The call up of young conscript soldiers by both sides is unpopular, and severely depletes human capital for economic development. Second, this need for peace has been recognized in the Karategin Valley, especially, and to almost the same degree in the Tavildara area. In both regions opposition and government personnel are successfully reinstituting civil governance structures together, giving both sides a stake in prolonging the ceasefire. In areas which it nominally controls, the Government of Tajikistan follows a policy of de facto power sharing and virtual representation of the Opposition in territorial administration. In certain parts of the country such as Gorno-Badakshan Autonomous Oblast, the Government of Tajikistan tolerates open security operations of self-defense forces; similarly, in the Karategin Valley, open cooperation in the areas of administration and health has been commonly observed between civil officials of the Government, and Opposition military commanders and their supporters. USAID's grant to the Joint Commission is allowing the Government and Opposition members to educate the public about the peace process throughout the country. Third, it appears that Tajik concern over a possible Taliban advance in Afghanistan, and pressure from both Iran and Russia to settle the Tajik conflict to permit increased support for the northern Afghan forces has put the primary patrons of both

sides on the side of a peace settlement.

These bases for continued progress are supported by several additional factors as well. Neither Rahmonov and his allies nor Nuri and his allies want to share power more broadly than necessary, and both appear to share the historic Tajik distrust of Uzbekistan. The two sides need to ensure a settlement between them in order to exclude Uzbek influence, seen as particularly present in northern Tajikistan, representatives of which frequently complain they have not been given a sufficient role in the peace process. Lack of progress allows those forces to lobby the UN and others for inclusion in the negotiations, which would complicate and possibly delay their conclusion. Second, while the Tajik Civil War engendered intense interpersonal antagonisms, many leaders of the two sides know each other well from school, work, etc., and have much in common; this has been important in the development of power sharing that has already occurred in the Karotegin Valley, mentioned above, for instance. Finally, while much has been made of the regionalism that afflicts Tajikistan, and even of the substantial Uzbek minority, the country in fact shares a remarkably uniform culture and history, so much so that observers are unable satisfactorily to explain the civil war in terms of regional, ethnic, or religious differences, as substantiated by a recent survey by the International Foundation for Electoral Systems.

The Strategic Plan is a “plan” in the true sense of the word in that the risks of backsliding, and the need for interim adjustments in the Mission's approach during implementation, are acknowledged. But there also are risks elsewhere in the FSU for the investment of scarce US assistance resources in the post-Communist transition. Tajikistan's experience during 1994-97 suggests that reforms to liberalize the economic and political areas do not always move in tandem in the short run. There will be additional setbacks caused, for example, by third forces which want to influence the peace process for their own ends by causing distrust, even while economic reforms are designed and implemented. However, the principal political actors have a timetable for moving towards national reconciliation in 1997. It also needs to be recognized that the formation of a new government in Tajikistan based on power sharing with the Opposition may set back economic reform temporarily. A number of Opposition members who may assume important governmental posts under the power sharing formula worked out with the Government have been out of the country for four to five years. They know primarily the Communist system, and have been influenced by Iran's statist economy. Some members of the Opposition have criticized the Government for going ahead with privatization until there is power-sharing. At the same time, the benefits of political stability by settling the internal conflict and including new people in the Government far outweigh any educational costs that may be required to win Opposition members over to market and related social reforms. Power sharing with the Opposition also will increase the legitimacy of executive, judicial, and legislative branches of government enabling broader and deeper engagement in Strategic Assistance Area 2, Democratic Transition.

1. Strategic Assistance Area 1 : Market Transition

a. Constraints and Opportunities

The breakup of the Soviet Union in December, 1991, followed by outbreak of Civil War in Tajikistan in May, 1992, caused a prolonged transitional recession that has lasted until now. In 1996, GDP continued to decline. Two of the major industries, aluminum and cotton production, were adversely affected. Deterioration in trade and payments links with other former Soviet republics suppressed the flow of badly needed raw materials, consumer goods, and food items. The all-Union subsidies for Tajikistan's educational and research institutions ended. Gas supplies from Uzbekistan became unreliable due to Tajikistan's foreign exchange shortages. Prices for food, non-food items, and services increased sharply in 1995, and per capita industrial and agricultural production plummeted.

In 1996, the Government of Tajikistan made dramatic progress in the stabilization of the macro-economic situation. It introduced flexibility in the foreign exchange system by regularizing exchange auctions, cut the deficit from 11 percent of GDP in 1995 to 5 percent in 1996, and reduced inflation from 2000 percent in 1995 to under 40 percent in 1996. The economic reforms in 1996 included an improved tax collection system, price liberalization, and ending of the state order system for the cotton and aluminum markets. The \$22 million IMF Stand-by Arrangement reinforced these reform initiatives, as did a \$50 million World Bank budget support loan, conditioned on agricultural and social protection system reforms. The World Bank also began to help in the design and implementation of a mass privatization program. A World Bank-hosted Consultative Group meeting, held in Tokyo, October 1996, provided a forum to signal the Tajikistan Government's commitment to economic reforms, and need for donor support in these efforts. The challenge stems from the fact that less than 20 percent of the economy is privately owned, work on the legal and regulatory framework for private business growth is just beginning, and the banking system neither meets the service needs of the business community nor inspires depositor confidence.

b. USAID's Program Response

Before 1996, the economic policy environment was not conducive to USAID-supported strategic objectives in market transition. In the wake of the devastating civil war, training and exchanges were the best mechanisms for Tajiks to observe developments elsewhere and gain understanding of international experience. To encourage reform, USAID engaged with Tajik counterparts on necessary private development measures through training courses and modest, targeted technical assistance. Overall, USAID has sent more than 175 Tajiks to the US for short-term economics training covering a variety of areas, including economic restructuring and reform. Tajiks trained under this program form a cadre of reform-minded officials who took the lead with World Bank and IMF officials in crafting long-term economic stabilization and structural adjustment programs. Similarly, a tour of Tajik policy makers to observe the Kazakstan privatization program in 1996 helped set the stage for further progress on privatization in Tajikistan. Most recently, a USAID-funded privatization

advisor played a crucial role in setting the stage for a large World-Bank funded privatization effort to begin shortly. In-country training programs related to banking, economic restructuring, and privatization have also been effective in orientating Tajik policy makers to possible reform measures.

In a complementary USAID-funded effort, the Central Asian American Enterprise Fund (CAAEF) began operations in Tajikistan in 1996, and approved \$700,000 in loans and investment over its initial year. Winrock Farmer-to-Farmer and advisors from the International Executive Service Corps (IESC) are assisting Tajik enterprises to prepare business plans and loan /equity proposals to the CAAEF, and act as consultants on post-investment management.

Assuming that peace talks yield a viable government and given the enhanced macro-economic environment and heightened Tajikistan Government interest in market reforms, USAID is initiating two strategic objectives:

SO 1.3 Accelerated Growth and Development of Private Enterprises

Key results are development of commercial laws necessary to protect property ownership and transfer rights, rights of transference, and the rights of parties to commercial transactions. Laws relating to collateral and bankruptcy will be developed in parallel with progress in privatization and modernization of the financial sector. A third result will be improved access to capital and technological resources through expanded CAAEF operations allied with Farmer-to-Farmer and IESC advisory work. At present no other donor is on the horizon to assist with commercial law reform although the World Bank privatization program complements USAID efforts under this strategic objective.

SO 1.4 A More Competitive Market-Responsive Private Financial Sector

Key results are a legal/regulatory structure for sound operations of a private banking sector, increase in the number and quality of financial services available, and improved Central Bank access to information about the banking system and capability to enforce banking standards and monitor performance. Again, USAID has already provided targeted, short-term technical assistance in this area. These core efforts will likely be complemented by progressive emphasis on use of international accounting standards. USAID will coordinate its Central Bank assistance closely with the IMF and with the advisory assistance from the World Bank in banking supervision. USAID's successful work in banking system development in Kazakhstan and Kyrgystan provides a significant advantage in organizing a similar program in Tajikistan.

The breadth and duration of these strategic objectives will be calibrated to Tajikistan's progress in stabilizing the political environment and continued evidence of commitment to market reforms. If events erode confidence in these assumptions, the Mission will reexamine the feasibility of continued effort on these objectives. Regarding other market transition

objectives in the ENI Strategic Framework, resource constraints, other donor roles and preconditions for effective assistance have helped determine our choices. The World Bank will lead in supporting mass privatization. Fiscal policy and management, while a potentially promising area of involvement, will receive some attention in the context of the IMF Standby Arrangement. We are therefore convinced that USAID's highest priorities need to be associated with commercial law development and improvement of the banking system, both areas of compelling need and apparent Tajikistan Government commitment.

USAID will seek opportunities to help Tajikistan restructure its energy sector and create an attractive policy, legal, and regulatory environment for private investment. However, this work will be done in the context of the Regional Strategic Objective for Energy, which is predicated on the economies and complementarities of regional cooperation in energy development and investment planning, water use rights to exploit hydroelectric potential -- an area of particular interest to Tajikistan, increased energy trade among CAR countries, and movement to a regional wholesale market for electricity producers. USAID plans for its Regional Energy Strategic Objective are separately described in the accompanying Regional Strategic Plan for Energy and the Environment.

2. Strategic Assistance Area 3: Social Transition

a. Constraints and Opportunities

The USAID/ENI Bureau has included three strategic objectives in Strategic Assistance Area 3 for Social Transition: Reducing Human Suffering, Building Sustainable Social Services, and Reducing Environmental Threats. The major constraint to the programming evolution is the fragile nature of the peace process, and continued high danger of incidental violence associated with work in Tajikistan.

The crisis arising from the armed conflict and economic deterioration has been especially severe in the social sectors. For example, the water and sanitation sector has deteriorated due to the lack of budgetary support and the emigration of technical personnel. Most families do not have dependable access to either heating or potable water. This resulted in the winter of 1997 in what the Centers for Disease Control and Prevention (CDC) have termed a "massive" typhoid outbreak in the capital city, Dushanbe. The immunization and anti-malarial spraying programs introduced and maintained during Soviet times largely collapsed. Malaria, eradicated in the Soviet era, has reappeared in southern Tajikistan. There is a shortage of pharmaceuticals and other medical supplies, and many hospitals and clinics are either closed or barely functioning due to lack of supplies, equipment, and salaries. Infant mortality rates are in the range of 47-67 per thousand live births, second only to Turkmenistan in the NIS region.

Over 80 percent of the Tajik population falls below the poverty line. Accordingly, a top government priority over the past few years has been to organize programs to provide basic services and alleviate poverty, with major external assistance for humanitarian aid.

As demonstrated by the success of USAID supported activities in the past, the major opportunity for the USAID program is that Tajikistan still has a highly literate and well trained class of people. These people have devised and implemented innovative projects with the assistance of external donors to reduce the suffering in their communities. USAID has been a major contributor toward stabilizing the internal situation in Tajikistan and preventing wide-spread hunger through the provision of food and other emergency supplies.

USAID is also encouraged by the efforts of the Tajik government and opposition forces to form a unity government. A stable republic government with the support of the Tajik people will enable USAID to share some of the progressive management and technologic interventions that will help on a large scale to provide sustainable social services (SO 3.2). However, without stable government counterparts and a demonstrated commitment to a market-oriented democracy, USAID is reluctant to engage in SO 3.2.

The Tajik program will also be reflective of Tajikistan's important position as part of the regional efforts needed to combat environmental problems (SO 3.3). Tajik participants will be involved in regional conference on water, as it relates to the cascade of dams, irrigation, and energy generation. If agreement is reached with the Government, efforts in this area may include work on increasing fees and introducing utility boards in the city of Dushanbe for water pricing. This is discussed in more detail in the USAID Regional Strategic Plan for Energy and the Environment. USAID/CAR's programmatic response to water-borne diseases such as typhoid are discussed under Special Objective 4.1.

B. USAID's Program Response

The turmoil and dislocation associated with conflict in Tajikistan have dominated the pattern of USAID assistance to date. Roughly two-thirds has been directed to humanitarian relief efforts and provision of essential services. USAID supported work has been carried out through contributions to international organizations and American PVOs. Emergency funds supported feeding programs, including food-for-work activities and provision of food to vulnerable groups such as women and children.

USAID/CAR, in accordance with US Embassy Dushanbe priorities, is focusing its technical assistance on moving from the humanitarian relief efforts which have dominated the USG assistance to Tajikistan since independence towards technical assistance and development assistance. USAID is currently assessing mechanisms for the future. Under consideration is a) continued support for US PVOs under current assistance instruments; b) strong collaboration with the World Bank selectively supporting components of the newly formed Tajikistan Social Investment Fund (TASIF); c) support of UNDP activities in "Strengthening the Continuum from Aid to Technical Assistance;" or d) combinations of these mechanisms.

USAID's program under the Strategic Objective for Reduced Human Suffering (SO 3.1) has been a major contributor to facilitating the return of tens of thousands of Tajiks refugees from Afghanistan and elsewhere and supporting reconstruction and rehabilitation in

Tajikistan. Concrete examples include installing or repairing over 2,600 shallow hand pumps directly benefitting 40,000 people; providing food rations for vulnerable groups estimated at 250,000; improving health services for a target population of 260,000, representing nearly 40 percent of the inhabitants of Khatlon Oblast; rebuilding more than 12,000 houses to provide shelter for more than 62,000 Tajiks; and employing an estimated 27,000 workers during the reconstruction phase of the program, also in the Khatlon area. In addition, virtually the entire population of Gorno-Badakhshan - more than 220,000 people - have benefitted from a variety of USAID-funded programs in health, emergency food relief, and other areas.

A 1996 evaluation concluded that US PVOs were an effective means for delivering humanitarian assistance in the period immediately following the civil war, and that USAID resources helped PVOs leverage resources from other donors. We were also able to use involvement in relief programs to engage the Tajikistan Government on service delivery issues such as financial sustainability, decentralized development, and local accountability. In 1996, the USAID strategy emphasized relief efforts which supported local development and effective delivery systems. The PVO programs that were funded in FY96 in response to USAID's Request for Applications stress sustainable health care, improvement in household income, and small business development. There is also explicit emphasis on strengthening partnerships with local communities, building local capabilities and putting programs in place which continue after donor assistance ends.

USAID is also contributing to the beginning of private agriculture by providing models that can be replicated nationally. For example, USAID-financed PVOs are assisting farmers in the Leninsky district, adjacent to Dushanbe, and Gorno-Badakhshan, in the eastern part of the country, to exercise new land use rights, acquire seed and fertilizer inputs, learn farm management, develop farmers' associations, and upgrade knowledge of modern agriculture practices. USAID is also working with American PVOs to support micro and small enterprise lending, particularly with household headed by women who welcome the opportunity to access capital and participate in market-oriented economic activity.

USAID plans to extend the activities of its strategic objective for Reduced Human Suffering through FY2000 with continued emphasis on more developmental, sustainable interventions. By the end of the strategic plan period, the Mission envisages phasing out of our activities under the strategic objective for Reduced Human Suffering and initiating a new Social Benefits Strategic Objective focused on financially sustainable social service programs, primarily health care and housing. The Mission will introduce Social Benefits activities in the out years of the plan period following reassessment of political and social conditions to better define the magnitude and key results of that initiative.

Several health-related earmarks, cited in this plan as special initiatives, have helped the Tajikistan Government address specific health problems. Assistance under the infectious disease program has helped strengthen disease surveillance systems and immunization programs, and has contributed to virtual elimination of polio and sharp reduction in the

incidence of diphtheria. The Government of Tajikistan has accepted analysis presented by the Center for Disease Control (CDC) of the typhoid outbreak in January, 1997, and USAID will work with the Ministry of Health and City Water Department in Dushanbe to implement CDC's recommendations in the water/sanitation area.

The reproductive health program has helped strengthen various aspects of Tajikistan's family planning program, and a medical partnership between Boulder, Colorado and Dushanbe facilities has helped strengthen the professionalism of nurses.

Water-borne typhoid is being addressed under infectious diseases in the Mission's Special Objective for Special Initiatives. Hence, no significant environmental risks to health exist that warrant a strategic objective over the life of this plan. The Regional Strategic Objective for the Environment focussed on increased availability of potable water and improved public information on safe water practices, but primarily to benefit affected populations in Kazakhstan and Uzbekistan. USAID support to potable water programs will be brought to a close, and the Environment Team will now focus on increased regional cooperation in water resources management for irrigation and hydroelectric uses, with secondary emphasis on urban and industrial pollution abatement. This follow-on effort could have particular significance for Tajikistan which has large, unexploited hydroelectric potential. The rationale and plan for the Regional Strategic Objective for the Environment are detailed in the Regional Strategic Plan for Energy and the Environment.

In view of the above discussion, USAID/CAR will continue with SO 3.1 in Tajikistan, and be prepared in outlying years to introduce SO 3.2:

SO 3.1 Reduced Human Suffering and Crisis Impact

As described above, USAID/CAR activity has been essential to mitigating the impact of civil war on the Tajik population. In close coordination with a wide range of PVOs and international donor organizations, provision of food and other emergency supplies has reached vulnerable groups such as women and children. Agricultural, small business, and health programs have also been instituted. Key results have included improvement in the standard of living for the target population. As a lead donor in the area of emergency assistance, USAID/CAR's role has been pivotal during these difficult times in Tajikistan.

SO 3.2 Improved Sustainability of Social Benefits and Services

Because of the fluidity of the situation in Tajikistan, this objective has not had a framework developed at this time. However, the mission's strategy for Tajikistan in the Strategy area of SO 3.2 will be to further deepen the programs initiated under Strategic Objective 3.1, addressing long-term development issues in the social sector. Social welfare issues such as financial sustainability, local accountability, and the importance of decentralized approaches to development will be the focus in areas such as health and housing. USAID will work with the government on the legal, regulatory, and policy issues. To the maximum extent

possible nongovernmental organizations will be involved in initiatives developed. Partnership arrangements with American PVOs will be fostered.

If the situation in Tajikistan stabilizes, then this will be submitted as a strategic objective with the FY 99 R4 submission.

3. Strategic Assistance Area 2: Democratic Transition

a. Constraints and Opportunities

Prolonged, armed opposition to the current regime and corresponding actions to stabilize the political situation overshadow the political scene in Tajikistan and prospects for democratic advances. Originally appointed by a special session of parliament, the Rahmonov government was maintained in power by a 1994 election that excluded the armed opposition. Four opposition political parties have been banned by the Tajik courts because they are associated with armed resistance.

USAID/CAR recognizes the difficulties of implementing an assistance program in such a situation. Until peace is achieved, USAID/CAR's democracy program will continue with only fairly minor interventions, largely outside government channels, where USAID assistance to date has clearly demonstrated that it can have a notable impact on developing a base for democracy. These elements which would deal with NGOs and the availability of information are essential parts of a full-blown strategic objective which USAID/CAR has developed for full implementation once peace is achieved. Until then, the full strategic objective obviously cannot be achieved, but more limited objectives are reachable.

The situation in Tajikistan is extremely volatile, but Tajikistan is not Bosnia, or Albania. It does not have the internal forces, as in those two countries, causing it to fail. Specifically, Tajikistan does not have the incredibly powerful, long-standing ethnic and religious conflicts which are at the heart of the Bosnian conflict. There is only one major ethnicity (the Uzbeks), and they are all the same sect of Muslims. What is unique is the country's incredibly disadvantageous geographical position, with powerful or disruptive neighbors such as Afghanistan, China, Iran and Russia, creating serious pressures on the country. As such, there is no guarantee that peace will come, but there are strong indications that most factions want peace and, most important, there is reason to believe that, because of the country's religious and ethnic homogeneity, a government of national unity is feasible.

If certain conditions are met (a Peace Accord is reached, a government of national unity that represents the major factions is formed, and a semblance of rule of law returns to the country), USAID will go forward with a full-blown democracy strategic objective, as has been developed. The SO will of course require revision as circumstances change, but for now it provides a guiding light. Provision has been made for elections assistance next year should open elections become a reality, and USAID is open to other post-conflict activities.

Even today, there are opportunities that USAID is capitalizing on. A surprisingly large number of NGOs, over 200 (more per habitant than in Kazakstan), have been organized in Tajikistan. Not surprisingly, they still lack essential skills in democratic leadership, management, fund-raising, and advocacy. Independent TV stations are relatively widespread and they have also made considerable headway. There are now seven fully operational stations, and they have been buoyed considerably by a recent law legalizing their operations. Nevertheless, they are weak in nearly all aspects and broadcast non-controversial material.

b. USAID's Program Response

Given political uncertainties during 1994-96, NGOs offered the most viable means of increasing citizens' participation in public affairs, allied with more effective independent media programs. With or without a peace settlement, as long as conditions do not deteriorate, USAID will continue its support of NGOs and independent media programs. Additionally, USAID/CAR hopes to work with USAID/W to develop the budget and instruments for a flexible, responsive mechanism to assist with the peace process. This is reflected in USAID/CAR's Strategic Objective for Increased, Better-Informed Citizens Participation in Public Affairs. A key assumption of the Strategic Objective is that the inter-Tajik dispute will be settled. If not, only elements of the overall strategy are achievable.

A key result for the Citizen's Participation Team will be to continue strengthening the effectiveness of NGOs, initially by focusing on civic education, management training, and addressing grassroots and community issues. Subsequent efforts will be directed towards enabling NGO legislation and improved advocacy.

Following work by Internews, a USAID grantee, on a media law development workshop and recommendation to the government on draft legislation, the Tajikistan Parliament passed a media law in December 1996, allowing non-governmental TV and radio stations to broadcast legally for the first time since independence. The Citizen's Participation's Team will continue addressing basic deficiencies in management, finance, and equipment, and then move progressively to improved programming quality.

At the present time, the status of the government rules out a separate Rule of Law Objective. However, an excellent opportunity exists to strengthen the judiciary and the availability of information in a meaningful way, even without other pieces of the strategy. One accomplishment was establishment of a Law and Democracy center in Dushanbe to provide access for judges, lawyers and general public to data bases of the laws of Tajikistan, other Central Asian Republics, the US, and Russia. The Embassy is very supportive of this work. USAID is funding assistance to the bar association and judiciary to disseminate laws to regional judges. These activities seek to improve the public trust in the judiciary as a fair place to resolve disputes and defend against criminal charges. USAID will seek to integrate these limited Rule of Law activities into the Strategic Objective for Citizen Participation as much as possible. For example, the judges plan a monthly or quarterly publication which will include draft legislation and analysis. If the government of national unity develops in

Tajikistan, USAID will explore the possibility of a Rule of Law objective.

The post-conflict situation following a peace settlement is likely to create opportunities for new forms of USAID involvement. One example is the United Nation's Rural Reconstruction and Development project which USAID is funding already. If a peace treaty is implemented, USAID will assist in the elections if conditions are met for providing electoral assistance. Similarly, with national reconciliation, the Tajikistan Government would be more likely to provide the legal base and transfer revenue authority the local level. If it does such, the initiation of a strategic objective in improved local government may be possible.

Another example is the possibility that USAID/W's Office of Transition Initiatives may become involved. Possible responses could include projects to train demobilized fighters and find them work and projects which help with employment in areas where there will be a lot of demobilized fighters, e.g. Gharm and Kulyob.

In line with all of the above, USAID/CAR formally initiates SO 2.1 (Citizen's Participation) in Tajikistan.

SO 2.1 Increased Better-Informed Citizen's Participation in Political and Economic Decision-Making

Key results under this strategic objective include support to NGOs, strengthening independent electronic media, and dissemination of information. Such activities will be necessary to create democratic institutions in Tajikistan. USAID/CAR's wealth of experience in the four other Central Asian republics will be applied in Tajikistan to assure effective program development. As a key donor in this area throughout Central Asia, USAID/CAR will initiate efforts to obtain other donor support for democratic development in Tajikistan. If further interventions become possible, USAID will address accountability and responsiveness in government.

C. Summary Rationale for Strategic Objectives

We summarize below the comparative importance of the Mission's two new proposed strategic objectives as well as other strategic objectives that may be relevant for Tajikistan. The two Regional Objectives, which are also part of the Mission's program in Tajikistan, are also included. Priorities may change from year to year.

SO	OBJECTIVE TITLE	RANK
1.3	Accelerated Development and Growth of Private Enterprise	3
1.4	A More Competitive and Market-responsive Private Financial Sector	4
2.1	Increased, Better-Informed Citizens Participation in Political and Economic Decision-Making	1
3.1, 3.2	Reduced Human Suffering and Crisis Impact, Improved Sustainability of Social Benefits and Services	2
1.5	A More Economically Sound and Environmentally Sustainable Energy System as the Primary Engine of Economic Growth	6
3.3	Reduction in Regional Economic and Political Tensions Generated by Transboundary Environmental Issues	5

The ranking of strategic objectives 2.1 and 3.1 reflect the continued relief and reconstruction needs of the population, and the lead that the US has in addressing the post-conflict situation and need to improve governance. The rankings of strategic objectives 1.3 and 1.4 reflect the invigorated commitment to reform which the Government has made in these areas. They also reflect USAID's close collaboration with the IMF and World Bank on private sector development and financial sector reform issues. Additionally, the ranking reflects the long run importance of addressing economic reform questions rather than a continued focus on humanitarian relief.

D. Customer Focus

In the fall of 1996, USAID/CAR developed a customer service plan which was widely distributed in the CAR region. This plan included Mission methods for understanding and responding to the needs of USAID/CAR's customers in Central Asia and the United States. These customers include US taxpayers, US business, the U.S Congress, the people of the host country, PVOs, and implementing partners. In all aspects of Mission work with this broad array of groups, In all aspects of work with this broad array of groups, the Mission has focussed on promoting sustainable economic growth by providing support for the establishment of a market economy based on democratic principles. This work includes measures that promote direct foreign investment, including U.S. investment.

The Tajik people, of course, are the key customers for the field mission. To identify and address the country's needs, USAID/CAR methods include direct dialogue with key officials, policy makers, and community. USAID/CAR also plans to hold Democracy Round Tables

for democracy grantees, Embassy staff, USIS personnel, and other interested parties, and will continue to conduct survey research to better understand attitudes towards democratization and health status of vulnerable groups. This latter activity is especially important in Tajikistan because extreme economic hardship has produced a growing population concern about deterioration in the quality of life. Periodic opinion surveys in Tajikistan (the first was conducted in November 1996) will ascertain attitudes on the impact of economic reforms, political participation, effectiveness of NGOs, and quality of media information.

The energetic and determined response of the Tajik people, such as the NGO women who established a crisis hotline or the men who formed a Big Brother Program, has encouraged USAID to continue to focus on programs that most closely touch people. In this connection, USAID/CAR kept in close contact with the Red Cross in developing our response to the current typhoid epidemic. It is expected that they will continue to coordinate the implementations of the recommendations of the USAID sponsored team.

To cement customer understanding of the purpose and direction of the Mission program, USAID/CAR has launched a media initiative to inform our customers, especially the local public, about USAID/CAR work and the benefits of reform. This initiative involves production of brochures in English and Russian on USAID/CAR programs in Tajikistan. This initiative also involves the distribution and broadcast of over 45 video programs and radio shows about reform to media enterprises, partly through the assistance of the USAID/CAR-supported Resource Center for returned training participants and the general public in Dushanbe.

E. Graduation Prospects

It is clearly too early to judge the timeframe for Tajikistan to achieve a lasting transition to a market-based democracy. The USAID program is only now being organized along strategic objective lines. With the exception of the strategic objective Reduced Human Suffering, resource levels have been insufficient to guarantee results. There are encouraging signs as Tajikistan tackles a far-sighted development agenda. Faced with a prolonged transitional recession, the Tajikistan Government moved resolutely to put a stabilization program in place. The government interest in pursuing various economic reforms, buttressed by the IMF Standby Agreement and World Bank support for privatization, provides an opening for meaningful assistance in market transition. In an otherwise restrictive political environment, the recent legalization of independent electronic media, after the government entertained their views on draft legislation, is a reassuring opening of the political process - an opening that could be widened through national reconciliation. Further, there is agreement on shifting the orientation of social service programs from relief to development with increased reliance on local self-help capacities that could augur well for future emergence of more effective local government. At the same time, the process of shifting the asset base from government to private ownership is just beginning. With much of its population below the poverty line and social service systems functioning poorly, much of the government's attention, and that of

foreign donors - has until recently been focused on humanitarian relief. Resource constraints may limit the comprehensiveness of our program even as new opportunities arise .

F. Environment Issues

Environmental issues relating to biodiversity will not be a major focus of the Mission program over the next five years. Tajikistan does not contain any tropical forests.

Part II. Rationale and Plans for Strategic Objectives

Strategic Objective 1.3
Accelerated Development and Growth
of Private Enterprises

A. Statement of Strategic Objective 1.3

Accelerated development and growth of private enterprises

B. Problem Analysis

Tajikistan is in perhaps the most challenging position of all the CAR countries in terms of creating a market environment which is conducive to private sector development and growth. The political instability of the Post-Soviet era severely limited investor interest and reduced Government flexibility in moving forward aggressively on economic reform issues. In addition the macroeconomic instability related to the late transition from the rouble zone (during the 1994-95 period the country was flooded with rouble notes from adjoining republics which had already adopted new currencies) wreaked economic havoc and sharply constrained private investment opportunities.

Thus during the 1992-95 period the size of the economy, which had been heavily dependent on transfers from Russia, declined by about 75 percent. In addition inflation reached 2000 percent in 1995. Little progress was made in privatization. The situation would have been even worse had the economy, which is dependent upon two primary products (aluminum and cotton) for almost all export earnings, not benefited from favorable terms of trade trends in 1995. The chaotic political situation and tardy efforts to improve macroeconomic stability and transfer productive resources into private hands created decisive constraints for private sector development during the immediate Post-Soviet period.

C. Progress, Program Approaches, and Other Donors

Recent Economic Reform Progress

Faced with the need to move ahead dramatically on economic reform policies, Tajikistan made dramatic progress in the macroeconomic reform area in 1996. It slashed the fiscal deficit in half (from approximately 11 percent of GDP in 1995 to about 5 percent of GDP in 1996), dramatically reduced inflation (from over 2000 percent in 1995 to just under 200 percent in 1996), and managed its exchange rate regime with reasonable flexibility. The country reached agreement with the IMF on a 12 month Standby Arrangement in May, 1995. In addition it is being supported by the World Bank in the design and implementation of a mass privatization program (which USAID/CAR helped jumpstart in mid-1996 by providing a short-term bridge consultant on privatization policy issues until the World Bank's team could be put in place).

Legal and Regulatory Reform Priorities

Of course the on-going political instability in Tajikistan must temper optimism regarding the recent dramatic progress the country has made in stabilizing the short-term macroeconomic situation. At the same time, assuming that the political situation in the country is stabilized and that progress continues in the macro-economic and key structural reform areas; a crucial need for support will exist in business climate-related legal/regulatory reform area. The basic

legal/regulatory framework for defining and protecting property ownership and transference rights does not now exist. Neither do adequate protections for the rights of parties to commercial transactions.

If progress in the privatization and financial sector reform areas accelerate, there will be a critical need for the development and implementation of legal reforms in the bankruptcy and collateral law areas. In addition, if private investment is to expand, the whole range of legislation and implementing regulations relating to business formation and operation and contract enforcement will need to be developed and adopted. Building on successful initiatives in these areas in other CAR countries, USAID/CAR will plan to respond rapidly if such an effort appears to be warranted with a targeted legal/regulatory reform technical support and training program.

This program could begin as early as FY 97, if modest amounts of performance funding becomes available. Otherwise the effort would begin in FY 98, and continue over the next 3-5 years (depending upon Government receptivity and the activities of other donors in the business climate area). At this point there appears to be a gaping hole in this area among the donors. Again this scenario presupposes that (1) the political situation in the country becomes much more stable over the next 3-6 months; and (2) that progress continues in macro-economic reform and key structural reform areas. If this is not the case, then the effort would not be undertaken.

Support for Development of Entrepreneurial Capacity

USAID is directly supporting private sector development through the operation of the Central Asian American Enterprise Fund (CAAEF). The CAAEF has had an office in Dushanbe for over a year. It has made approximately \$700,000 in equity and loan funding available to private enterprises, primarily in the northern region of Tajikistan (which has been relatively free of civil strife). It has also provided about \$55,000 in financing for small business development loans through a window operated through a number of commercial banks in Tajikistan.

USAID/CAR has provided modest funding for the development of an IESC program targeted at providing business planning support to potential CAAEF clients; as well as post-investment business development support to CAAEF client enterprises. Given the current unrest in much of the country, both CAAEF and IESC business development activities will be focused for the near-term on the northern region of the country. Assuming the political situation stabilizes, USAID/CAR envisages a continuation of modest levels of IESC funding over a 3-5 year period.

If the macro policy environment continues to improve and privatization and financial sector reforms create more favorable conditions for private sector expansion; business development support for aspiring entrepreneurs will be an important component of the USAID/CAR assistance strategy for Tajikistan over the medium term. A prominent aspect of this support

would be the formation of a partnership between an American academic institution and a Tajik University. This program would include student and faculty exchanges and build a permanent dialogue on economic education and policy issues between the two institutions.

D. Sustainability

Assuming stability in the macroeconomic environment and continued progress in privatization; USAID/CAR plans to initiate a support program designed to develop the commercial law infrastructure required for accelerated private sector development. The program would begin in earnest in FY 1998, and continue through the year 2001. By that time, the country would have a body of law and implementing regulations which defined in a market-friendly manner the property and commercial transactions rights of market agents; and at least the rudiments of an institutional structure to support the enforcement of those rights. In addition IESC support will be continued at least through 2001 in order to provide aspiring entrepreneurs with the foundational business development skills required to stimulate growth in private investment.

INSERT TREE FOR SO 1.3 HERE

TAJKISTAN PERFORMANCE DATA: BASELINE, TARGETS, AND ACTUAL RESULTS

LEVEL	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	VALUE FOR 1996	TARGETS AND ACTUAL RESULTS									
					1997		1998		1999		2000		2001	
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
SO 1.3	Accelerated development & growth of private enterprises	Increase in private sector GDP market shares	Definition: Share of GDP generated by private enterprises Unit: %	15.0	20.00		30.0		50.0		65.0		75.0	
IR 1.3.1	Improved operating environment for private sector growth	Increase in private sector capital investment	Definition: % of total capital investment in private sector Unit:%	15.0	20.00		30.0		50.0		65.0		75.0	
IR 1.3.1.1	Improved policies, laws and regulations in place to ensure competition and allow for easy market entry and exit	1. Critical policies, laws and regulations that are consistent with international standards are published	Definition: Number of policies, laws, regulations published with drafting and implementation assistance provided by USAID Unit: Number	N/A	10.00		20		30		50		50	
		2. Significant bodies of law and international conventions that promote legal basis for the growth of market economy	Definition: Major legislative initiatives (more than 50 sections), treaty accessions, and significant policy determination drafted or implemented with USAID assistance Unit: Number	N/A	3.00		5		7		9		9	

LEVEL	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	VALUE FOR 1996	TARGETS AND ACTUAL RESULTS									
					1997		1998		1999		2000		2001	
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
IR 1.3.1.2	Administrative agencies strengthened to enforce policies, laws, and regulations	Number of legal and administrative positions filled with personnel trained by USAID	Definition: Number of key legal and administrative positions filled USAID trained professionals Unit: Number	N/A	50.00		150		300		400		500	
IR 1.3.1.3	Business and business advocacy groups strengthened	1. Number of groups benefitting from USAID assistance (e.g. NGOs, PIFs)	Definition: Number of groups receiving USAID advice Unit: Number	N/A	5.00		10		20		35		50	
IR 1.3.1.4	Government of Tajikistan complied with the International Financial Institutions' conditions	1. Compliance	Definition: GOT adheres to conditions set forth by the IFIs for additional assistance Unit: Yes or No	N/A	Y		Y		Y		Y		Y	
IR 1.3.2	Human resources improved to function in a market economy	1. Number of people trained (excluding 1.3.1.3)	Definition: Number of people trained through seminars, roundtables or one-on-one encounters Unit: Number	N/A	100.00		200		400		500		500	

LEVEL	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	VALUE FOR 1996	TARGETS AND ACTUAL RESULTS									
					1997		1998		1999		2000		2001	
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
IR 1.3.3	Increased availability of and access to capital and technological resources for the private sector	1. Loan and joint venture funds invested	Definition: Dollar volume of joint venture funds invested Unit: Dollars (millions)	.7	3		5		7		9		11	
		Comments/Notes:												

E. Results Framework Narrative

Strategic Objective 1.3 Accelerated development and growth of private enterprises

1. Transition Hypothesis and Underlying Rationale

Private business growth in Tajikistan is hampered by extremely limited progress in privatization and the very nascent stage of its financial market development, as well as the turbulent domestic political situation. Nonetheless, opportunities for both domestic and foreign investment exist. The Dushanbe Office of the Central Asian American Enterprise Fund (CAAEF) has made a small number of investments. Limited progress has also resulted from a continuing dialogue with the World Bank and the International

Monetary Fund (IMF).

The three basic issues related to private sector growth in Kazakhstan and Kyrgyzstan hold true in Tajikistan as well:

- First, a much more favorable legal and regulatory environment needs to be established. Key characteristics would include consistency, transparency, and efficient, comprehensible mechanisms for resolving disputes. Also, policy guidance and new legislation, once it is adopted, needs to be administered effectively.
- Second, the human resource base needs to be improved. Basic knowledge about the functioning of a market economy is often lacking. Many of the rudiments related to business planning, cost analysis, marketing, accounting, and other skills needed to manage and sustain a private business have yet to be properly introduced. Similarly, government officials charged with administering new laws and regulations need to be properly changed in their new roles and responsibilities.
- Third, lack of access to capital and technology invariably emerges as a key constraint. Previously, government-owned businesses were "bailed out" by the infusion of cheap credit by government-owned banks, which in turn fueled inflation. Now firms have to finance their own operations and map out longer-term financing and market growth strategies.

Although lack of funding prevents USAID from fully addressing the full range of issues and concerns currently, opportunities do exist and do need to be developed within the context of a wider strategic framework. First, CAAEF is emerging as a potentially important source of capital for private business in Tajikistan; their own experience in working with the private sector can also inform program development in other areas. The International Executive Service Corps also operates in Tajikistan and helps CAAEF identify potential investment projects and provides technical assistance to local companies. Second, USAID intends to initiate a commercial law program in Tajikistan in 1998. Reforms in trade and investment law would also benefit potential US firms interested in doing business. Hopefully, these initial engagements in the legal and regulatory front will lead to other opportunities aimed at helping to improve the business environment in Tajikistan.

2. Critical Assumptions

Continued work in this area hinges on at least three critical assumptions:

- First, the government complying with the international standards established by the World Bank and the IMF. Also, further progress will be made in both the privatization and financial markets areas.
- Second, Tajik authorities continuing to be receptive to new ideas and approaches. As in other Central Asian countries, linking progress on a particular issue to Tajikistan's credibility with international organizations and institutions is often a good approach for advancing policy dialogue. Hopefully, this interest will continue.
- Third, the stabilization of the domestic political situation and the end to the civil war.

3. Causal Linkages

Lack of credit and inadequate development of a sound legal and regulatory environments are two concerns that go hand-in-hand. The quality of the human resource base for private sector development in Tajikistan is also closely linked. Funding constraints prevent USAID from contributing as a significant player in these areas as is the case in Kazakstan and Kyrgyzstan, but a combination of close cooperation with other donors combined with efforts to ensure that the experience and "lessons learned" from elsewhere are brought to bear on the Uzbek experience can make a difference. Close coordination in all these areas should ensure progress in achieving the Strategic Objective.

Strategic Objective 1.4

A More Competitive and Market Responsive Private Financial Sector

A. Statement of Strategic Objective 1.4

A More Competitive and Market Responsive Private Financial Sector

B. Problem Analysis

Tajikistan is faced with the daunting task of rebuilding public confidence in the stability of the Tajik currency and of the commercial banking system. The late introduction of the new currency and the recent prolonged episode of hyper-inflation eviscerated public confidence in the banking sector. This led to a high degree of dollarization of the economy.

International reserves fell to less than one month's worth of imports in 1995; and the ratio of currency to deposits rose dramatically. Thus the Government was faced in early 1996 with the prospect of having to build up the financial intermediation system virtually from scratch.

C. Progress, Program Approaches, and Other Donors

The Government has made significant progress in key financial sector reform areas over the past year. Overall monetary policy was tightened dramatically in 1996. Foreign exchange surrender requirements were abolished and weekly foreign exchange auctions conducted.

A dramatic increase in the velocity of broad money and an extreme shift in its composition of out of deposits and into currency occurred in 1996. This resulted in a situation where the Central Bank's only effective mechanism for controlling monetary aggregates was reliance on foreign exchange auctions. In addition due in part to weaknesses in the financial reporting and compliance system (the Central Bank has an under-staffed and under-trained supervision department and lacks the procedural mechanisms for ensuring accurate commercial bank financial reporting). The Central Bank employed IMF-supported bank-by-bank credit ceilings to control overall liquidity expansion.

Despite these measures, there are indications that banking system credit expanded at a greater rate during the final months of 1996 than was consistent with the IMF Program. This, in combination with the structural weakness in the financial reporting and compliance system noted above, accentuates the need for the Central Bank to:

- gain greater control over information regarding the financial status and policies of the commercial banking system; and
- develop systemic capability to effectively monitor the financial performance of commercial banks and design and enforce adequate financial performance standards for commercial banks.

This is absolutely crucial for the ability of the Central Bank to both conduct a responsible monetary policy, and to promote a more financially viable commercial banking sector which can regain the confidence of the shaken Tajik population.

In consultation with the IMF, USAID/CAR has provided since February 1997 short-term advisory support in the bank supervision area. This support is targeted at analyzing and prioritizing the weaknesses in the organizational and technical operations of the bank supervision unit within the Central Bank. It also entails an operational audit of one of the major troubled commercial banking institutions in the country. The latter exercise will be used in part as an initial training vehicle for bank supervision staff on what financial performance factors to emphasize in an on-site examination of a banking institution.

Assuming receptivity on the part of the Central Bank, USAID/CAR plans to follow-up this short-term effort with a long-term advisory support program in the bank supervision area beginning in FY 97. This program would provide a mix of long-term and short-term advisory support, and training resources to the bank supervision department. The program would be designed to support:

- an expansion in the number of trained staff in the department;
- a reorganization of the department which would improve the efficiency of its information-gathering and decision-making activities;
- the adoption of procedural reforms aimed at systematizing both on-site bank examination;
- off-site financial analysis activities;
- strengthening of the regulatory framework for bank licensing enforcement of financial performance requirements.

This program would build on the successful procedural reform and training programs developed and implemented in Kazakhstan and Kyrgyzstan. Reliance on bank supervision procedural reform and training materials developed in those countries should economize significantly on program costs. Depending upon the activities of other donors (the World Bank is planning a modest support program (ie. 6-8 person months) in the bank supervision area; the long-term support program may be expanded beyond the one long-term position initially envisaged in FY 97.

Bank Accounting Reform

In addition the development of more rigorous commercial bank financial reporting and performance requirements is vitally dependent upon the adoption of modern bank accounting practices and key associated operational practices both within the Central Bank and the MAJOR commercial banks. This again is an area in which, depending upon the intentions of other donors, USAID/CAR envisages a major potential medium-term commitment in Tajikistan.

The complementarity between the bank supervision and accounting reform efforts are such that there are major advantages from coordination from having a unified effort in this area. Rebuilding public sector confidence in the banking sector will be critical to the medium-term growth prospects of the Tajik economy. A comprehensive effort to strengthen the financial

accountability of banking institutions can contribute crucially to bringing this about. USAID/CAR envisages supporting this type of effort over the 1997-2002 timeframe.

D. Sustainability

Assuming Government receptivity and a stable macroeconomic and political situation which provides some scope for the development of a financial intermediation system, USAID/CAR would envisage providing support for systematic modernization of bank supervision and bank accounting practices at least through the year 2001. At that point, the banking system would be consolidated and the financial solvency of the system drastically improved; modern onsite and offsite financial monitoring practices in place and the organization of the banking supervision function rationalized; and modern accounting standards and procedures introduced in the central banks and in the commercial banking sector at the ledger and sub-ledger level. USAID/CAR will coordinate closely with the IMF and World Bank in these support efforts.

INSERT TREE FOR 1.4 HERE

TAJIKISTAN PERFORMANCE DATA: BASELINE, TARGETS, AND ACTUAL RESULTS

LEVEL	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	VALUE FOR 1996	TARGETS AND ACTUAL RESULTS

1997

1998

1999

2000

2001

					Target	Actual								

SO 1.4	A more competitive and market responsive private financial sector	Bank deposits as % of GDP	Definition: Private sector deposits in Tajikistan's banking system as % of GDP Unit: Percent	0.08	0.2		0.5		1		2		4	
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IR 1.4.1	Government regulatory agencies supervise, administer and enforce legislation	Assessed regulatory capacity in place and functioning	Definition: USAID assessment of regulatory readiness of Central Bank of Tajikistan Unit: Y/N	N	P		P		P		Y		Y	
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<p>IR 1.4.2</p>	<p>More forms of financial intermediation are institutionalized and effectively supply the private sector on a competitive basis.</p>	<p>Increasing # of financial services available</p>	<p>Definition: # of distinct services available Unit: #</p>	<p>5</p>	<p>6</p>	<p>7</p>	<p>8</p>	<p>9</p>	<p>10</p>					
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IR 1.4.1.1	Legal structure, required for efficient operation of financial markets, is defined and adopted	Legislation fulfillment	Definition: Consideration/adoption of appropriate official laws & regulations Unit: Yes/ No	N	N		P		P		Y		Y	
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<p>IR 1.4.1.2.</p>	<p>Regulatory framework and reporting systems are broadly applied to effectively screen out deficient institutions</p>	<p>Increasing % of banks meeting capital adequacy requirements</p>	<p>Definition: Percentage of all banks that meet capital adequacy requirements Unit: Percent</p>	<p>0</p>	<p>10</p>		<p>25</p>		<p>50</p>		<p>75</p>		<p>90</p>	
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Comments/Notes:

E. Results Framework Narrative

Strategic Objective 1.4 A more competitive and market-responsive private financial sector

1. Transition Hypothesis/Underlying Rationale

A competitive, private financial sector is vital to the growth of a market-oriented economy. Hence, new market-based financial institutions are urgently needed to replace Soviet relics that are incapable of serving a modern economy in Tajikistan. Given such conditions, in 1997 and beyond USAID/CAR in this strategic objective area seeks to build a legal and regulatory structure to provide the foundation for private sector banks. Preliminary work began in January 1997 to provide an initial estimate of the status of commercial banking in Tajikistan and its regulation.

The success of this SO is highly dependent on the Government of Tajikistan's overall economic restructuring program, which is being developed in conjunction with the IMF and World Bank.

2. Critical Assumptions

- Political stability is regained in Tajikistan in the near future.
- The Government of Tajikistan continues to make progress in fundamentally restructuring its economy through support of other key donors such as the IMF and World Bank.
- Privatization proceeds with the transfer of small-scale and large-scale enterprises into the private sector.
- Growth occurs in some sectors of the economy, supporting the development of the financial sector and attracting domestic and foreign investors.

3. Causal Linkages

USAID needs to help achieve one primary results in this strategic objective in Tajikistan:

- Sets of institutions, services, and financial instruments are created and properly protect "customers" rights (IR 1.4.2). In other words, private-sector banks are established and provide essential financial services to business and population, namely:
 - Electronic fund transfers system among banks and for the business community.
 - Market-based bank and securities credit.
 - Deposit and checking accounts, primarily for business.

With scarce resources, this effort will be focused on a limited number of banks on a pilot basis and on the supervision department of the central bank.

New financial services will not be developed without financial intermediaries who profit from the process. Hence achievement of IR 1.4.2 (development of financial systems, services and instruments) depends on the assumption that growth occurs in some sectors of the economy to create customers for the new financial services.

Strategic Objective 2.1

**Increased, better-informed citizens' participation
in political and economic decision-making**

A. Statement of Strategic Objective

Increased, better-informed citizens' participation in political and economic decision-making.

B. Problem Analysis

The democracy agenda is crucial in Tajikistan in order to present a viable option for non-violent citizen participation. There is extremely low participation by the general public in political and economic decision-making at all levels of government. Key obstacles to achieving such participation are (1) the present civil war, and (2) the fact that the people, having lived for so long under totalitarian governments, are not engaged in public affairs. More specifically, they lack the institutional mechanisms (eg. NGOs) to peacefully voice their opinions regarding democratic and economic issues, lack adequate and impartial sources of information on which to base opinions, and lack the peaceful means for making government officials responsive and accountable to them. In working on these obstacles towards achieving the strategic objective, USAID/CAR will be focusing on the general public, which is the ultimate customer, and the NGO community in particular.

This program can not address the first obstacle, the civil war. However, non-violent models of participation will help to stabilize the political situation somewhat. If the conflict does not intensify, the Mission program can improve citizens' participation in certain areas (NGOs and independent electronic media). However, until a political breakthrough is achieved and a new government involving the various Tajik political factions is in place, the strategic objective cannot be fully accomplished.

Regarding the second obstacle, public associations, which provide a principal means for citizens voicing their concerns to government, did not exist in Tajikistan even six years ago. Today, people are gradually becoming aware of them and their potential utility. Their activities could be important to supporting reconciliation. A surprising number of NGOs, over 200, have sprung up. Nevertheless, they are generally undemocratic in their own management and lack key skills in how to run associations, increase membership, serve the needs of their members and effectively make their positions known to local and national government. They also lack the legal framework for becoming self-sustainable. They are, for example, taxed on donations and donations are not deductible from donors' income taxes.

Regarding the availability of information, per IFES surveys, television and radio are the primary sources of news. Just six years ago, there were no independent TV stations; today, due in part to USAID assistance, there are seven independent TV stations operating and five of them devote some time to the news. While this is a major step forward, there is still insufficient coverage nationwide. Many stations are poorly managed and exist in a challenging economic environment. As a result, they are financially unviable. Also, some stations lack even the most basic equipment and the quality of the programs is low. In addition, the stations rarely if ever broadcast news on controversial topics. As a result, people are still not getting unbiased, provocative news that would allow them to become more effective participants in the political arena. On the bright side, this year the government passed a law, with TV station input, on legalizing commercial television and radio stations.

Buttressed by the new media law, as stations become more self-sustainable, experience to date shows that they are more likely to speak out on controversial matters. If a new government is installed and elections are part of that process, this should help diminish stations' fear of government reprisal. NGO newsletters, which may be more willing to speak out on controversial matters than other media, are another entirely different possibility that will be explored for increasing the availability of information.

C. Progress, Program Approaches, Other Donors

Regarding the NGO sector program, progress was on target during 1996, but in February, 1997 many expatriates evacuated the country because of increased turmoil. Although they have recently returned, this will undoubtedly impact negatively on meeting future targets. There are now some 205 NGOs, exceeding targets, and all have received some training. Also, indigenous NGOs were awarded \$83,206 in grants in 1996. Assistance will continue to be needed until 2006, at which time, assuming conclusion of the peace process, the sector should be able to continue to grow on its own.

The Mission's NGO program will be implemented in a phased approach by, first, raising levels of citizens' awareness by increasing the availability of information; second, by helping to establish a core of grassroots NGOs, often with a community development concern, through small grants; and thirdly, by continuing to provide training for NGOs in critical management areas (membership, accounting, program development, publicity, etc) and in how to affect change in their own communities. In the future, plans call for targeting those civic advocacy NGOs which are the most viable and democratic and have the potential for advancing citizens' participation. This will be accomplished by focusing on democracy training for their internal operations and advocacy training so as to become more influential in national government and, in particular, local government, which the Mission is supporting in other programs. When the political situation improves, USAID, through its U.S. partner, will also explore the feasibility of building support for improved NGO legislation.

Regarding the independent media program, progress is on target. One of the high points of 1996 was the passage, with input from the public, of a new law allowing the broadcast of independent commercial television stations. There are now seven independent TV stations operating. However, their programming is weak and assistance is likely to be required until 2006 before most stations are viable.

Training and technical assistance are the key elements of all programs, occasionally accompanied by limited commodity or grant assistance. Under USAID/CAR's civil society program, for example, such PVOs have been assisting local advocacy NGOs through training programs designed to increase their professionalism and improve their management skills as well as through small grants programs targeted to NGOs involved in rule of law, human rights and other civic society issues. Activities of the Mission's partners, which are all U.S. PVOs, are being implemented through cooperative agreements and grants, mostly awarded by the Office of Procurement, USAID/W. Most partners have had successful experience with

similar programs elsewhere in the NIS, which increases Mission confidence in their commitment and capacity and that they can achieve their intended results.

USAID/CAR's media program is managed by a US PVO which is involved in media programs elsewhere in the NIS. It is providing primarily training and technical assistance, also some limited electronic equipment, to these stations in a phased approach, first concentrating on increasing their numbers. Training and technical assistance are provided typically in part by well-trained locals. For several years more, USAID will work on improving their management and journalism. Starting in 1998 or 1999, USAID assistance will shift more towards improving the quality of programming, which impacts heavily on viability. By 2006, assuming resolution of the civil war and a resurgence in the economy, the media program should have achieved its intermediate result.

There are three intermediate results dependent on the programs of Mission partners but only the first two are being implemented at this stage: strengthened NGO participation in civil society, increased availability of information on domestic economic policies and politics, and the future, increased responsiveness and accountability of government to citizens and NGOs. All are attainable provided the civil war ends, a government acceptable to most major factions and more responsive to its citizens is installed, and economic viability returns to Tajikistan.

Once a new government is in place, USAID will implement this objective dealing with responsiveness and accountability to citizens, and begin looking for government institutions that have the potential for making significant impact on improving government transparency. However, until a political breakthrough is achieved, there will be no activities involving this intermediate result except for minimal technical assistance to the Judiciary by the American Bar Association. In the future, should there be a political breakthrough, the Mission will examine all options including working with local government, ministries, and with Parliament to improve efficiency and transparency, as well as working to improve the election system. USAID will also explore possibilities for a Rule of Law Program.

Program approaches for providing assistance to any reconciliation government that emerges from the current peace process will need to be flexible. Naturally, as the peace negotiations are still in process, the exact nature of appropriate assistance is still to be defined. USAID/CAR will be seeking maximum cooperation from USAID/W to make available as flexible funding and contracting mechanisms as possible to enable USAID to assist in several possible areas. For instance, helping during the transition of new members of the government, so that these new members from opposition parties will have faith in the process, and will develop commitment to success of the process. This may involve overseas training, conflict resolution workshops, team building, computer purchases, technical assistance to mid-level bureaucrats. As the Charter of the Commission on National Reconciliation presumes new elections (it states that the Commission will write a new electoral law and establish an electoral commission as well as submit proposals regarding the date for holding elections to a new Parliament), election assistance is likely to be a priority.

USAID Office of Transition Initiatives will also be asked to participate.

D. Sustainability

It is too early in the process of democracy building in Tajikistan to predict in what year the assistance will be sustainable. However, the rewards for success here are extremely high. In addition to the humanitarian goal of helping the people within Tajikistan, this is an ideal country to act as a model to a region lacking in democracy. Here USAID/CAR is looking outside the NIS region, to the strategic placement of Tajikistan. It borders Afghanistan, which has been experiencing civil disturbances for over fifteen years. It is linguistically close with Iran. Tajikistan is small enough that USAID assistance can well be expected to produce a sustainable governance pattern based on respect for individuals, property, and diversity which would serve as a model to countries to Tajikistan's south.

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TAJIKISTAN PERFORMANCE DATA SO 2.1: BASELINE, TARGETS, AND ACTUAL RESULTS FY 1998 Submission

LEVEL	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA											
				YEAR	VALUE	FY 1996		FY 1997		FY 1998		FY 1999	FY 2000	FY 2001	FY 2002
						Target	Actual	Target	Actual	Target	Actual	Target	Target	Target	Target
SO 2.1	Increased, better-informed citizens' participation in political and economic decision making	1. Number of advocacy NGOs 2. Percent of citizens who feel informed	Definition: Advocacy NGOs are those local organizations which focus upon advocating and advancing governmental or civil society attention to means of addressing particular democratic, economic or social needs as objectives, including human rights, women's rights, NGO rights and media rights. Unit of Measure: 1) Actual number of NGOs listed in the Counterpart Consortium database for Kazakstan on a particular date with advocacy (women's rights, human rights, Media rights, NGO support) as their purpose (covering all known NGOs)SOURCE: Counterpart IFES survey	1992	0.00	NA	NA	Baseline	ADV; 50	10% increase		10% increase	TBD evaluate progress, and see if ready to move beyond just group formation	TBD	TBD
						NA	NA	NA	POL 14% ECON 15%	POL 20% ECON 20%		POL 25% ECON 25%	POL 30% ECON 30%	POL 35% ECON 35%	POL 40% ECON 40%

LEVEL	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA											
				YEAR	VALUE	FY 1996		FY 1997		FY 1998		FY 1999	FY 2000	FY 2001	FY 2002
						Target	Actual	Target	Actual	Target	Actual	Target	Target	Target	Target
IR 2.1.1	NGOs engage in strengthening civil society	Increasing number of NGOs that seek to influence the government or get attention/ support for their activities	<p>Definition: contacts with media or government officials reported in grant/contract monitoring documents in response to the questions:</p> <p>Stage one: Fear and lack of public understanding Stage two: narrowly defined advocacy groups emerge Stage three: institutionalize base, and form coalitions</p> <p>1. "Did you have any contacts with media organizations regarding your work or issues during the past year?"</p> <p>2. "Did you have any contacts with government officials regarding your work or issues during the past year?"</p> <p>Unit: Percent of total NGOs in Counterpart Consortium database which answer yes to one of the above questions. SOURCE: COUNTERP</p>	NA	NA	NA	NA	NA	2/97 0%	yes 30%		yes 40%	yes 50%	yes 60%	yes 75%
	Strengthened NGO capacity for participation	IFES survey results on populations knowledge of NGOs existence.	<p>Definition: Percent of population who answer "yes" when asked if they think a Non-governmental organization is a theoretical possibility.</p> <p>Unit: Percent</p>	FY97	33%	NA	NA	NA	33%	40%		45%	50%	55%	60%
IR 2.1.1.1	Strengthened NGO capacity: Quantity	Number of NGOs trained and the number of NGO members trained	<p>Definition: In a transitional society without a history of non-governmental organizations NGOs must be trained in organizational and programmatic sustainability.</p> <p>Unit: Records of USAID sponsored training for NGOs and for NGO participants, including but not limited to management, media, advocacy, and government relations.</p> <p>DEFINITION: NET/AED, Counterpart</p> <p>cumulative NGOs (members)</p>	1992	0.00	NA	C'part NGOs:	NGOs: 250	NGOs: 220	240		250	260	complete	
							Memb: 300	Memb: 267	Memb: 267	300		350	400		
								YTD 3/97							

LEVEL	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA											
				YEAR	VALUE	FY 1996		FY 1997		FY 1998		FY 1999	FY 2000	FY 2001	FY 2002
						Target	Actual	Target	Actual	Target	Actual	Target	Target	Target	Target
IR 2.1.1.1	Strengthened NGO capacity	Percentage of NGOs in data base which are providing fee-for services to assist sustainability.	<p><i>Definition:</i> A service shall be deemed to be anything that the organization is providing, related to its mission, in order to sustain itself.</p> <p><i>Unit:</i> 1) Absolute number 2) percent</p>	1994	na	NA	NA	BASELINE	0%	10%		12%	15%	20%	30%
IR 2.1.1.2	Improved laws/policies enabling NGO formation and operation	Existence of a law including x number of stages in definition column, and enabling NGOs to organize and function; Improved quality, based on knowledgeable opinion, of these laws	<p><i>Definition:</i> In order to function without government hindrance a set of laws and/or policies, including policies in administration, needs to be enacted which is necessary and sufficient for NGO operations.</p> <p><i>See performance monitoring plan for definition</i></p> <p><i>Unit:</i> Quality of NGO laws on scale. See Performance monitoring plan.</p> <p>1996 SOURCE: Counterpart</p>	1992	1 of 11	1 of 11	1 of 11	4 of 11		4 of 11		4 of 11	4 of 11	4 of 11	8 of 11
IR 2.1.2	Information on domestic economic policies and politics available	Public availability of draft laws prior to passage by government	<p><i>Definition:</i> Based on three possible levels of availability. 4 is highest, 0 is lowest.</p> <p><i>Source:</i> ABA</p>	1994	1	NA	1	NA		1		2	2	3	3
IR 2.1.2.1	Strengthening Print Media	<p>1) Other donors involvement</p> <p>1) Number of NGOs publishing newsletters</p>	<p><i>See USIS, Eurasia, Soros</i></p> <p><i>Definition:</i> The number of NGOs publishing newsletters.</p> <p><i>Source:</i> Counterpart</p>	NA	NA	NA	NA	Baseline (new indicator)		10		20	30	40	50

LEVEL	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA											
				YEAR	VALUE	FY 1996		FY 1997		FY 1998		FY 1999	FY 2000	FY 2001	FY 2002
						Target	Actual	Target	Actual	Target	Actual	Target	Target	Target	Target
IR 2.1.2.2	Domestic news widely available via electronic media	1) Number of commercial TV/radio stations	Definition: See indicator	1994		10	7/2	9/2		11/3		13/4	14/5	14/5	14/5
		2) Average daily independent local TV news programming	Number of minutes	1994		30	5	5		10		12	14	16	18
		3) # of stations who broadcast news daily.	Number of stations with daily news	1994		5		7/1		8/3		8/3	9/4	10/5	10/5
			Source: Internews												
IR 2.1.2.2.1	Increased Quality of independent electronic media	1) Number of stations using "appropriate" technology (S-VHS or Betacam, computer graphics)	Definition: as indicated Unit: Absolute number Source: Internews	1994	0.00	3		6		7		8	9	10	11
		2) Percent of population who watch independent TV news.	Definition: Based on IFES survey data. New indicator for FY 1998 Unit: Percent of total Source: IFES	FY98		NA		NA		5%		10%	15%	15%	20%
IR 2.1.2.2.2	Increased management capabilities of independent electronic media	1. Average daily hours of broadcast time for TV/radio	Definition: see indicator TV/Radio hours Unit: USD Source: Internews	1994		8	2	3/1		5/2		7/3	8/4	8/4	8/4
IR 2.1.2.2.3	Increased willingness of independent electronic media to report on democratic processes, public policy issues	1) Media law exists allowing commercial stations to broadcast and register, without political approval	Definition: see indicator SOURCE: INTERNEWS, ABA	1994	no law		passed law								
		Comments/Notes: draft April 24, 1997													

E. Results Framework Narrative

Increased, better informed citizens' participation

1. Transitional Hypothesis and Underlying Rationale

The strategy for improving citizen participation in economic and political decision making in Tajikistan combines two simultaneous areas of development: strengthening non-governmental organizations (NGOs) and increasing the availability of information. Efforts are being developed in 1997 to test the efficacy of working with the Judiciary. No major initiatives will be undertaken without further assessment.

The underlying rationale for a two part approach in Tajikistan is that the government will give NGOs and the independent media the opportunity for development due either to their inability to govern, or to their attention to the civil war. Without USAID assistance, these organizations lack the technical skills and financial resources necessary to develop into sustainable organizations. Limited engagement on this SO is essential to the overall efforts aimed at stabilization of the political situation.

2. Critical assumptions

The single most critical assumption is that the security situation will not worsen or make it impossible for the Mission's implementing partners to function.

3. Causal Linkages

Tajiks are experiencing economic and social turmoil that at times has threatened to deteriorate into chaos. Yet, the pilot NGO work there has been successful at providing outlets for expression and participation without resorting to violence. Tajikistan was the first Central Asian Republic to work with citizens to develop media legislation and as a result of that effort, the Tajik parliament passed a law legalizing independent media in December, 1996. Despite their previous illegal status, Tajikistan has more independent television stations than the Kyrgyz Republic!

The active Intermediate Results in Tajikistan address strengthening the capacity of NGOs to act as the voice of citizens and developing information sources for citizen oversight and participation. With central government control limited, in many regions it is the local administration that makes the decisions that affect people's lives on a daily basis. These interactions can be participatory and sustainable through non-violent civil society activities through NGOs and the independent electronic media.

The implementation activities encompassed under the first intermediate result, IR 2.1.1 (NGOs engage in strengthening civil society; strengthened NGO capacity for participation),

are those supporting the development of NGOs. This will entail primarily training, technical assistance and seed grants to indigenous groups. The prospect of these groups becoming self sustaining is slim until the situation becomes more stable. USAID works in cooperation with other donors to make the most effective use of available resources. The NGO groups represent opportunities for groups of citizens to come together around issues of concern to them, along a range of activities.

IR2.1.2 (information on domestic economic policies and politics available) concerns USAID/CAR's effort to support one of the under pinnings of civil societies, information. USAID/CAR will continue to use resources to develop the business and technical skills of television and radio stations in order to provide the population with independent sources of information on local news issues. The Legal Information Center in Dushanbe holds databases of laws in Russian language, and may serve as a repository for draft legislation.

USAID work in Tajikistan with the government will be limited. Results of the current peace talks could change at least 50 percent of the government. USAID is awaiting steps toward national reconciliation. At that point, USAID would like to have a flexible funding mechanism available to provide support for the transitional government.

Strategic Objective 3.1

Reduced Human Suffering and Crisis Impact

A. Statement of Strategic Objective 3.1

Reduced Human Suffering and Crisis Impact

B. Problem Analysis

The overall rationale for inclusion of this Strategic Objective in the 1993 submission of the USAID Regional Mission for Central Asia (USAID/CAR) remains current and specific to Tajikistan. The situation in Tajikistan remains very serious. The recent IFES survey found that 86% of the people had difficulty obtaining enough food to feed their families, with the majority indicating serious difficulty. The poverty level of the country at an average per capita GDP of approximately \$400 places Tajikistan among the world's least developed countries. That is, the lack of political consensus and national reconciliation in Tajikistan, combined with the collapse of the economy, indicates the need to continue ongoing efforts to reduce human suffering and the impact of crisis.

None-the-less, given the prospects for reconciliation and the progress made on the economic front in the 1995-96 period (discussed earlier in this document) efforts should not be focused solely on humanitarian relief. The problems have evolved from the short term ones to ones requiring more focused technical assistance on development. For instance, International law enforcement agencies have documented a dramatic increase in drug trafficking concomitant with the increase in poverty. If alternatives to this are not found it may result in serious cultural problems that can not be resolved by food shipments. The problem now is that Tajikistan risks slipping from the educational and social characteristics of a middle developed country, to those of a third world country. Tajikistan needs the development of pilot projects that make use of the intelligence and graciousness of the Tajik people.

International law enforcement agencies have documented dramatic increases in drug trafficking concomitant with the increase in poverty. If alternatives to such revenue-generating activity is not found, serious problems could result.

C. Progress, Program Approaches, and Other Donors

This strategic objective has consistently contributed to the reduction of human suffering. USAID supported work has been carried out through contributions to international organizations and American PVOs. Emergency funds provided major support for feeding programs, including food-for-work activities and the provision of food for especially vulnerable groups such as women and school children. Other types of humanitarian assistance were also provided. For example, approximately 500,000 people were provided with food, 40,000 people gained access to potable water in various project sites, 260,000 people had better access to basic health services and 62,000 people were provided with shelter. In 1996, as USAID began to shift to more development-oriented projects, programs have been able to include health, water, income generation, employment and agricultural development. Funding has also been provided for a small hydro generating plant in the

isolated Gorno-Badakshan area of Tajikistan.

A 1996 evaluation indicated that USAID resources have helped the US Private Voluntary Organizations (PVOs) leverage resources from other donors. It also noted that US PVOs were an effective means for delivering humanitarian assistance in the period immediately following the civil war. The PVOs working Tajikistan have now made the transition from providing purely humanitarian assistance to development type programs, thus improving the likelihood for achieving sustainability in the social sector.

As a result of evaluation findings and recommendations, USAID made a strategic choice to request proposals for the 1996 program which addressed larger development concerns in the areas of health, agriculture, and income generation in a cost effective manner. USAID-funded American PVOs will remain a significant programming vehicle.

Building on current PVO activities underway in Tajikistan, USAID plans to support further activities and continued expansion into other areas of the country. Future programs will increasingly focus on more long term, sustainable development concerns, in part by strengthening partnerships with local communities and putting in place programs which can continue once donor assistance ends. This could include programs in housing, health, agriculture, and microenterprise development. Programs such as these will also provide important links to USAID social transition and market transition goals. To the extent practicable, partnerships between indigenous nongovernmental organizations (NGOs) and US PVOs will be fostered, especially to develop local capacity in the provision of social services.

Events in early 1997 in Tajikistan have reinforced the view that the situation is fragile. Programming needs to remain flexible in order to respond to the changing scene. Further, funds were made available to a U.N. organization to support conciliation efforts. In all likelihood such types of funding will be required for the near term. USAID-funded American PVOs will remain as a significant programming vehicle, but some resources may be channeled through international agencies, especially in the promotion of reconciliation. An increased emphasis will be placed on developing Tajik partner groups and ensuring sustainable approaches to development.

Donor coordination in Tajikistan is excellent and is regarded as among the most effective in the New Independent States. Various donor groups meet weekly to discuss programs and exchange information on important security issues affecting Tajikistan. Occasional sector-specific meetings are also held. Lead organizations include the United Nations (UNDP, UNICEF, WHO, etc.), bilateral donors including various European organizations, and a variety of American and international PVOs. Both the World Bank and the UNDP are supporting new initiatives that rely largely on local and foreign NGOs to manage and deliver badly needed goods and services to many areas of Tajikistan.

Building on this strong donor collaboration as well as limited USAID resources, USAID is

reassessing mechanisms to best support achievement of this strategic objective. Under consideration is a) continued support to U.S. PVOs under current assistance instruments; b) strong collaboration with the World Bank in selectively supporting components of the newly formed Tajikistan Social Investment Fund (TASIF); c) support of UNDP activities in "Strengthening the Continuum from Aid to Technical Assistance;" or d) combinations of these mechanisms. These mechanisms need further consideration and discussion with Embassy Dushanbe and with Washington before committing to a definitive path. USAID looks forward to discussing during Program Week the merits of various approaches toward achieving "reduced human suffering and crisis impact" in Tajikistan in the shortest timeframe.

D. Sustainability

It was earlier anticipated that FY 1998 would be the final year of funding for this Strategic Objective. At that point the programs developed to address larger development issues would be integrated, modified, or replaced by activities linked to results oriented USAID objectives in the market transition and social transition arenas as appropriate. Recent events demonstrating the fragility of the political situation suggest that this may be an optimistic view. The programming will need to remain flexible within this framework. Suffice it say that should political stability become firmly based permitting programs developed under this objective to continue under the transition strategic objectives this Strategic Objective will be eliminated and replaced by the more typical transition Strategic Objectives. The best current estimate for final year of funding for this Strategic Objective is FY 2000.

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TAJIKISTAN PERFORMANCE DATA: BASELINE, TARGETS, AND ACTUAL RESULTS

LEVEL	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS									
				YEAR	VALUE	1995		FY 1996		FY 1997		FY 1998		FY 1999	
						Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
SO 3.1	Reduced Human Suffering and Crisis Impact.	1. Reduction in human suffering	Definition: Proxy indicator, reduction in IFES survey data indicating that people have difficulty feeding their families. Unit: Percent	1996	82%	NA	Na	NA	82%	75%		60%		40%	
IR 3.1.1	Peace Keeping Capabilities Improved	1. Programs to facilitate conciliation funded.	Definitions: Programs to facilitate conciliation, such as the U.N. Military Observers in Tajikistan (UNMOT) Unit: Number of programs	NA	NA	NA	NA	2	2	1	1	1		1	
IR 3.1.2	Development oriented programs introduced	1. Percent of USAID grants directed towards development	Definition: Dollar volume of USAID assistance with development component as a percent of total grants by USAID in Tajikistan Unit: Percent	1995	0	NA	0	95%		95%		100%		100%	
		2. Health programs introduced	Definition: Programs providing bases for health care reform (S.O. 3.1) Unit: % of PVO project grants	NA	NA	NA	20	50	40	50		50		50	
		3. Income generating programs introduced.	Definition: Programs creating jobs/increasing incomes Unit: % of PVO project grants	NA	NA	NA	20	50	60	50		50		50	
		Updated 5/5/97; u:\ostpub\docs\r4\tb31taj.sp													

E. Results Framework Narrative

Strategic Objective 3.1 Reduced human suffering and crises impact

1. Transition Hypothesis and Underlying Rationale

Tajikistan is the poorest of the Central Asian Republics and the only country amongst the Central Asian Republics which has suffered serious ethnic, regional and ideological strains leading to warfare. The economic upheaval of the transition from a centrally planned to a market economy along with the civil strife in the country has resulted in a significant economic and social disruption throughout the country. This disruption has affected many families who are suffering financial hardships. Many families have been displaced, the Government of Tajikistan's ability to meet the populations basic needs is seriously hampered.

USAID/CAR recognizes the need to provide some social safety net to the people of Tajikistan. USAID/CAR responded to the need by providing humanitarian assistance through US PVO's as well as supporting international organizations in their relief efforts to help displaced populations. The emphasis of USAID/CAR's assistance to Tajikistan is to demonstrate that by meeting short term humanitarian assistance needs - a political stable social environment can be created for sustained development. To this end USAID/CAR has facilitated the introduction of US PVO's in Tajikistan as providers of not only humanitarian but development assistance, in addition to facilitating links to local NGO's to create a sustainable base. Some of the US PVO's will leverage funding from other donors. To date existing PVO's have achieved significant results given the difficult conditions. An external evaluation indicated that US PVO's are playing an important role in developing a foundation for providing basic social services.

2. Critical Assumptions

- Peace negotiations are successful
- Government's economic situation improves: currently it is essentially broke.

3. Causal Linkages

Goodwill, increased stability, and better understanding of the needs and capabilities of the people of Tajikistan were the intermediate results sought in the first phase of the implementation of this Strategic Objective for Reduced Human Suffering. The positive contributions of the humanitarian assistance program was discussed in the progress sector.

The strong foundation of the past work, combined with the changes seen in the 95-96 period in the ability of people to seek a normalised life lead USAID to believe that the next set of results to be sought under this strategy can best be achieved by tying of assistance to development goals. The USG's good coordination of its foreign assistance programs will also

help insure movement towards reduced human suffering.

The next set of interventions to achieve this work will be to set up pilot programs in income generation, perhaps linked with reconstruction of infrastructure. USAID will examine the possibility of working in collaboration with UNDP and the World Bank Social Investment Fund, both of which have start up programs which USAID could use its technical assistance to leverage. This collaboration is an essential link in order to achieve the highest level results.

However, the final accomplishment of this result will require success beyond pilot efforts, as the only long term remedy for the problems in Tajikistan are through a transition to a market based democracy. Hence, the work in Reduced Human Suffering must seek the change in focus to more sector specific transition programs in order to achieve the entire objective.

Strategic Objective 3.2

Improved Sustainability of Social Benefits and Services

A. Statement of Strategic Objective 3.2

Improved Sustainability of Social Benefits and Services

B. Problem Analysis

Public support is essential for successful transition to free markets and democratic governance. This requires that people believe that the reforms will produce improvements in their social and economic circumstances. Since in the initial phase many of the actions necessary for the transition result in increasing hardships for people, this area must be specifically addressed. Several countries have demonstrated that the communist party takes advantage of people's dissatisfaction with lowered standards of living to press for reintegration and nationalism. It is essential to have public confidence in the social transition in order for democratic institutions to have time to grow. Additionally, public management of social assets is an extreme burden on the Republic and the local level budgets. Poor management of social services, such as health care and education, leads to lower quality outputs at higher costs. Tajikistan can not afford to sustain this.

C. Progress, Program Approaches, and Other Donors

Many of the interventions required to build Sustainable Social Services (SO 3.2) require competent government counterparts. Therefore, USAID/CAR is not submitting a request to initiate this activity until the nature of the reconciled government is clarified. Initiation of this strategic objective should follow a commitment to move to a market-based economy. USAID/CAR anticipates introducing this strategic objective in the later years of this plan. This introduction would be dependent on successful achievement of results under the Strategic Objective for Reduced Human Suffering.

The strategy for undertaking this strategic objective in Tajikistan is to further deepen the programs initiated under the Strategic Objective for Reduced Human Suffering, but only in key social sectors such as health, housing, as well as policy work on targeted social benefits.

Although other donors will continue to be active in the social sphere, it is expected that USAID will continue to be looked to for technical assistance and training support. USAID demonstrations in other Central Asian countries in health, housing, and targeted allowances will continue to be viewed as practical models for replication.

Building on achievements associated with emergency humanitarian assistance--and assuming movement on the part of the Government of Tajikistan in the market transition area-- long-term, sustainable development concerns in the social sector would be addressed. This could include programs in housing and health. Given the Tajik context, mechanisms which address social sector issues by strengthening partnerships with local communities and ensuring programs which can continue once donor assistance ends are favored.

USAID recognizes that resources to improve the sustainability of social benefits are unlikely to be attained by any single donor. Donor coordination in Tajikistan is excellent and is regarded as among the most effective in the New Independent States. The Prime Minister signed a World Bank Agricultural Rehabilitation and Social Protection Credit of \$50 million and the International Monetary Fund has a \$22 million stand-by agreement with Tajikistan. Historically, USAID funds for this Strategic Objective have not been as large as for other Central Asian republics and there is no reason to believe the funding situation will be any different for Tajikistan in outlying years. Thus, donor collaboration and coordination are essential to target the limited USAID interventions for maximum impact.

D. Sustainability

It is impossible to discuss prospects for sustainability at this time due to the many unknowns.

Special Objective 4.1

Special Initiatives

A. Statement of Strategic Objective 4.1

Special Initiatives

B. Problem Analysis

USAID Regional Mission for Central Asia (USAID/CAR) anticipates receiving for the next several years Congressionally mandated earmarks in several areas: reproductive health, infectious diseases, and medical partnerships. Given the limited scope of these activities and the specific guidelines for using the funds, they are grouped under earmark activities in Special Objective 4.1. These earmarks will continue to be shaped, to the extent possible, to support reform in the delivery of health care services. Given the fluid nature of events in Tajikistan, it makes sense to retain flexibility and consider funding for a range of activities in order to be responsive and take advantage of possible opportunities with developmental impact as they arise.

Reproductive Health

Under the reproductive health earmark USAID will continue to focus on modernizing, expanding, and improving the quality and sustainability of reproductive health services. To the extent possible, USAID will foster partnerships between U.S. PVOs and indigenous NGOs to achieve results. USAID initiated its Reproductive Health Services Expansion Program (RHSEP) in Tajikistan in October 1994. The only other donor in this health area was UNFPA which supplied contraceptives. UNFPA continues to provide some contraceptives. As a result of USAID assistance modern family planning guidelines have been established. Also, there are two fully staffed and equipped service delivery/clinical training sites, one in Khojent and one in Dushanbe.

Medical Partnerships

A USAID funded medical partnership was established in August 1995 between Boulder Community Hospital in Colorado and City Clinical Hospital Number 2 in Dushanbe. It is expected that this partnership will continue until 1998 with a two year graduation phase following that time period.

Infectious Diseases

Under the infectious disease earmark USAID plans to focus on the public health priorities of prevention and control of infectious diseases such as typhoid, tuberculosis, and malaria. Within this framework, technical assistance and training will be provided to strengthen diagnostic and management capabilities. Work will also continue with the Sanitary Epidemiology Service (SES) on case-based surveillance and control of infectious disease. To date USAID funded advisors developed capacity in modern epidemiological methods with computerization of infectious disease surveillance to the oblast level. USAID funded

technical assistance was also critical in the identification and reporting of malaria cases, in turn attracting the attention of the World Health Organization in its efforts to control malaria in southern Tajikistan. Monitoring of new and modern immunization policies and schedules which have been introduced will continue.

As a result of the recent typhoid epidemic, additional funds have been made available to address outbreaks and epidemics of vaccine preventable diseases. These funds will be used to support training and technical assistance in preventive measures such as surveillance focussing on specific disease entities such as typhoid fever. As appropriate, support may also be provided for regional approaches to control of communicable diseases. In addition, a portion of these funds will be used for emergency response to these outbreaks. For instance, in the winter of 1997, a CDC team was mobilized to investigate the serious typhoid epidemic and to develop an action plan. This assistance has been used by the Government and international donors to coordinate their response.

TAJKISTAN PERFORMANCE DATA: BASELINE, TARGETS, AND ACTUAL RESULTS 1998

LEVEL	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS									
				YEAR	VALUE	1995		FY 1996		FY1997		FY 1998		FY 1999	
						Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
SO 4.1															
Mission SO 4.1	Family Planning	1. Decrease in abortion rates	Definition: Induced abortions per 1000 women ages 15 -49 Unit: General Abortion rate DUE TO CIVIL DISTURBANCES, UNABLE TO GATHER DATA	1994		NA		NA							
	Health Partnership	2. Number of health providers trained in management and clinical practices	Definition: Number trained by AIHA. Unit: Number	1994	0	NA	NA	NA	29	69	32	year to date			
	Infectious Diseases	3. Decrease in vaccine preventable diseases	Definition: Improve and maintain the vaccine coverage for children under 2, using DPT as a proxy. Unit: Percent of children under 2 years old who have completed primary series for Diphtheria, Pertussis, and Tetanus (DPT) A) MoH data B) corrected to world standards.	1994	NA	na	80%	-	65%	65%		ccomplete			

<i>LEVEL</i>	<i>RESULT STATEMENT</i>	<i>PERFORMANCE INDICATOR</i>	<i>INDICATOR DEFINITION AND UNIT OF MEASUREMENT</i>	<i>BASELINE DATA</i>		<i>TARGETS AND ACTUAL RESULTS</i>									
						<i>1995</i>		<i>FY 1996</i>		<i>FY1997</i>		<i>FY 1998</i>		<i>FY 1999</i>	
				<i>YEAR</i>	<i>VALUE</i>	<i>Target</i>	<i>Actual</i>	<i>Target</i>	<i>Actual</i>	<i>Target</i>	<i>Actual</i>	<i>Target</i>	<i>Actual</i>	<i>Target</i>	<i>Actual</i>
		April 24, 1997													

Strategic Objective 4.2

Cross-Cutting Programs

A. Statement of Strategic Objective 4.2

Cross-Cutting Programs

B. Problem Analysis

Eurasia Foundation

The Eurasia Foundation makes small grants on an on-going basis which are directed to support the transition from centrally planned to market economies; encourage improvement of public service delivery and greater citizen involvement in civic decision-making; and improve the flow of information available to citizens. An underlying theme of many programs is improving management in the indigenous organizations, be they in the private, public, or non-profit sectors. The priority areas for small grants are generally: business development, business education and management training, economics education and research, public administration and local government reform, nongovernment organization development, rule of law, media, and electronic communications. The Eurasia Foundation has awarded a limited number of small grants in Tajikistan during FY 1996 and very limited funding is available for this purpose in FY 1997.

Participant Training

In the past, USAID/CAR's participant training program provided U.S. short-term training for Tajikistan. Almost three hundred Tajik counterparts participated in such training programs in the U.S. during the 1994-1996 period. Under a new, follow-on training effort, 190 Tajiks should participate in U.S., third-country, and in-country training programs in 1997. Already, this program has been beneficial in exposing Tajik officials and private citizens to new ideas, which form an important resource for economic restructuring once political consensus is reached and national reconciliation leads to the restoration of stability in Tajikistan. This effort benefits Tajiks at all levels by training qualified public officials who are able to establish laws and regulations that are transparent and foster the growth of markets and democratic government.