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Review of Environmental Activities Implemented in the Bureau for Europe & Eurasia

**Prepared by:
The Environmental Information Systems and Networking Project
(DevTech Systems Inc.)**

**Under:
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**Prepared for:
The Environment and Natural Resources Division
Bureau for Europe and Eurasia
United States Agency for International Development**

May 23, 2002

**Environmental Information Systems &
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May 23, 2002

Mr. Gerald Gold
Contracting Officer's
Technical Representative
United States Agency for
International Development
Office of Europe and Eurasia
(E&E/EEST/ENR)

**Subject: Submission of the Report *Review of Environmental Activities
Implemented in the Bureau for Europe and Eurasia.*
(Contract No. EE-C-00-98-00001-00)**

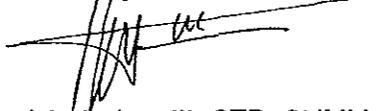
Dear Mr. Gold:

DevTech Systems, Inc. is pleased to submit the above-referenced deliverable. The report was prepared as a result of needs identified by Mr. Jeff Goodson, the Acting Chief of the Environment and Natural Resources Division.

The report surveys the environmental activities undertaken either by Missions or as regional projects. It identifies more than 90 individual environmental projects that have been recently completed or are currently being undertaken in the region.

We have submitted a total of 15 copies of the report in addition to an electronic version. If you have any questions, please call me at (703) 351-1470.

Sincerely,



J.A. Atchue III, CEP, CHMM
Chief of Party

Cc: J. Goodson, E&E/EEST/ENR
 M. Gallagher, DevTech

Executive Summary

USAID's Bureau for Europe and Eurasia implements a broad range of environmental activities in the 24 countries in which it carries out international development programs. Early in 2002, the E&E Environment and Natural Resources Division conducted an inventory of environmental programs in the region to help the bureau better respond to Congressional, agency and interagency requests for information on these activities. This is that inventory.

The study is a snapshot of environmental activities active as of January 2002, and it is based on the most recent Congressional Budget Justifications, R4s, Mission strategic plans and Mission web sites. It also includes historical information about environmental activities undertaken to the extent that it was available. This inventory has been vetted with field missions in the region, and structured in a way that will make it easy to update.

Over ninety environmental activities are described in this document, including both bilateral and regional activities. While environment has not been a core focus of the bureau's development portfolio in the region, environmental projects have been important in helping to meet our overall goals of sustainably transforming these countries into market-led democracies. The focus of bureau environmental activities in the region reflects the unique history and recent upheavals that have wracked Eastern Europe and Eurasia. The most widespread kinds of projects are:

- Institutional development (16 countries)
- Water supply and sanitation (14 countries)
- Energy efficiency (12 countries)
- Power and energy (10 countries)
- Environmental trade promotion (8 countries).

Other major environmental activities focus on waste management (8 countries), management and cleanup of industrial pollution (6 countries), forestry and natural resources (6 countries), environmental finance (4 countries), and infrastructure project assessment (5 countries).

Bureau projects range in size from short-term projects of a few thousand dollars, to multi-year, multi-million dollar activities. All support the E&E Bureau's environmental Strategic Objective (SO 1.6) of *Increased Environmental Management Capacity to Support Sustainable Economic Growth*. A remarkable aspect of these environmental projects is their crosscutting nature. Good examples of crosscutting programs in which environmental activities play an important roll in meeting non-environmental strategic objectives are:

- Community Infrastructure and Services Program (Kosovo)
- Community Self Help and Youth Employment Project (Macedonia)
- Community Revitalization through Democratic Action (Montenegro)
- Replication of Lessons Learned Project (Russia).

There are many others. Among their many significant impacts, these programs have helped:

- Improve the ability of the governments to manage environmental problems;
- Transform national electrical distribution systems into energy efficient operations;
- Improve the energy-efficiency of industrial operations;
- Decommission nuclear power plants;

- Develop modern solid waste management practices;
- Build or rehabilitate water and wastewater system;
- Develop a capacity for sustainable water resource management;
- Improve cross-boundary water management.

These activities significantly improve the overall environmental health of the region by helping countries make decisions that benefit both their bottom line and their natural resources.

USAID's Bureau for Europe and Eurasia has made a significant contribution to improving the regional environment over the last ten years. Bureau environmental activities will continue play a major supporting role in the future economic transformation of these countries.

Environmental Project Activities By Country

| Country | Water Supply & Sanitation | Waste Management | District Heating | Power & Energy | Forestry, Natural Resources, & Biodiversity | Nature ¹ Conservation | Coastal Zone Management | Institutional Development ² | Industry & Manufacturing ³ | Transport ⁴ | Air Pollution Control & Monitoring | Energy Efficiency | Climate Change | Environmental Finance ⁵ | Environmental Trade | RIP | EcoLinks |
|--------------|---------------------------|------------------|------------------|----------------|---|----------------------------------|-------------------------|--|---------------------------------------|------------------------|------------------------------------|-------------------|----------------|------------------------------------|---------------------|-----|----------|
| Albania | X | | | | X | | | X | | | | X | | | | X | |
| Armenia | X | | | | | | | X | | | | X | | | | | |
| Azerbaijan | | | | | | | | | | | | | | | | | |
| Belarus | | | | | | | | | | | | | | | | | |
| Bosnia | X | | | | | | | | | | | | | | | | X |
| Bulgaria | X | X | | | X | X | | X | | | | X | X | X | X | X | X |
| Croatia | | | | | | | | X | X | | | X | | | | X | X |
| Cyprus | X | X | | | | | | X | | | | | | | | | |
| Georgia | | | | | | | | | | | | X | | | | | |
| Ireland | | | | | | | | | | | | | | | | | |
| Kazakhstan | X | X | X | X | X | | | X | X | | | | X | | X | | X |
| Kosovo | X | X | | X | | | | X | X | | | | | | | | |
| Kyrgyzstan | X | | X | X | X | | | X | | | | X | | | | | |
| Lithuania | | | | X | | | | | | | | | | | | | |
| Macedonia | X | X | | | | | | X | | | | | | | | X | X |
| Moldova | | | X | X | | | | X | | | | X | | | | | |
| Montenegro | | | | | | | | X | | | | X | | | | | |
| Romania | | X | X | X | | | | X | X | | | X | X | | X | X | X |
| Russia | X | X | | X | X | | | X | X | | X | X | | | | | X |
| Serbia | | | | | | | | X | | | | X | | | | | |
| Tajikistan | X | | | | | | | | | | | | | | | | |
| Turkmenistan | X | | | X | | | | X | | | | | | | | | |
| Ukraine | X | X | X | X | | | | X | X | | X | X | X | | | | X |
| Uzbekistan | X | | | X | X | | | | | | | | X | | | | |

Notes:

¹Including parks and protected areas

²Including policy, legal and regulatory activities

³Including cleanup/remediation, cleaner production/pollution prevention, environmental management systems/ISO14000

⁴Including maritime, air, land, & emissions monitoring/control

⁵Including funds, debt swaps, and other mechanisms

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Introduction

This document was developed in order to provide an overview of all recent environmental activities that have been undertaken in the Bureau for Europe and Eurasia (E&E) whether by Missions or by the Environment and Natural Resources Division. The purpose is to provide staff with a single report that can serve as a resource about the recent history of environmental projects in the E&E Region.

The report consists of this introduction, a section on the methodology used to gather the information, and brief discussions about each country in the Region. An annex provides information about USAID land privatization activities from the same time frame using the same methodology.

Methodology

Staff from DevTech Systems, Inc., the ENR institutional contractor, were requested to extract information from several sources and synthesize it in a format developed within the ENR Division. The information sources used in developing these discussions were:

- The Fiscal Year (FY) 2001 Congressional Budget Justification
- The FY 2002 Congressional Budget Justification
- The FY 2002 Results Review (R2a) (and in some case the FY 2001 R2a)
- The most recent Mission Strategic Plan
- The RIP and Ukraine Mission web sites

These documents were reviewed for information about environmental projects and for projects that had potential environmental linkages. The information about each country was synthesized in the reports making up the remainder of this document. The individual country discussions were then forwarded to the Mission Program Officers who reviewed them for accuracy and resubmitted them to ENR staff where they were transmitted to DevTech for inclusion in the final report. The box below represents the types of projects that were included in this study.

| Potential Mission Environmental Projects |
|---|
| Water Supply & Sanitation |
| Waste Management |
| District Heating |
| Power & Energy |
| Forestry, Natural Resources, & Biodiversity |
| Nature Conservation, Parks, & Protected Areas |
| Coastal Zone Management |
| Institutional Development (Including- policy, legal and regulatory activities) |
| Industry & Manufacturing (Including- cleanup/remediation, cleaner production/pollution prevention, environmental management systems/ISO14000) |
| Transport (Including maritime, air, land, & emissions monitoring/control) |
| Air Pollution Control & Monitoring |
| Energy Efficiency |
| Climate Change |
| Environmental Finance (Including funds, debt swaps, and other mechanisms) |
| Environmental Trade |

Regional Projects

The Environment and Natural Resources (ENR) Division of the Bureau for Europe and Eurasia has managed several large regional projects since its inception. Examples of projects no longer operating include the:

- Environmental Action Program Support (EAPS)
- Environmental Policy and Training Project (EPTP)
- Central And Eastern Europe Environmental Economics And Policy Project (C4EP)

Information about these and the other regional environmental projects in E&E may be found on the ENR website at <http://www.ee-environment.net/>.

Currently there are two regional projects still being managed by ENR. These are the Regional Infrastructure Project (RIP) and the EcoLinks Program, the Eurasian American Partnership for Environmentally Sustainable Economies. They are discussed below.

Regional Infrastructure Program

The Regional Infrastructure Program (RIP) for Water and Transport in South East Europe is a USAID Stability Pact initiative. The key objective of the RIP is to facilitate infrastructure project results throughout South East Europe while improving regional capability for sustainable public utilities. This dual approach guides the program's assistance activities, and at the same time supports the continuous transfer of knowledge and skills to involve stakeholders throughout the region. Assistance provided under the RIP may be delivered to any of the Stability Pact nations. In 2001 and 2002, the RIP is implementing activities in Albania, Bulgaria, Croatia, Macedonia (FYR), Romania, and Yugoslavia (FRY).

The RIP started operations in October 2000. Booz Allen, the prime contractor, is working in partnership with four international firms with South East Europe experience. The RIP is a three-year initiative with a budget of \$14 million. In order to achieve the program's overall objectives, RIP assistance is organized into four elements:

- Project Preparation Assistance
- Project Implementation
- Project Investment and Financing
- Legal and Regulatory Reform

The list of projects that took place in 2001 or are currently being implemented are listed in the box on the next page. Similar projects are underway contemplated for 2003.

RIP Projects and Their Country of Implementation

Albania

Land Expropriation Assistance for Roads (Year 2)
Strengthening of the Infrastructure Monitoring System
Port of Duress Master Plan Updates
Municipal Water Utility Modernization—Saranda
Public Procurement Agency Institutional Development
Upgrading of Northern Corridor of Albania Railway between Vore and Hani Hoti Land Expropriation Assistance for Roads (Year 1)
Infrastructure Monitoring Unit
Water and Transport Project Formulation for SP Near-Term Projects
Management Training for Local Contractors and Project Sponsors

Bulgaria

Port of Lom Rehabilitation Project (Year 2)
Participative Planning for Water and Sanitation
Water System Rehabilitation for Stara Zagora, Haskovo, and Dimitrovgrad
Port of Lom Rehabilitation Project (Year 1)
Technical and Economic Feasibility Study of the Sofia-Kalotina Motorway Management Training for Local Contractors and Water Utility Officials in Cooperation with DFID
Training Program for Independent Road Maintenance Units

Croatia

Assistance to the City of Rijeka in the Development of PSP Options for its Water Utility Feasibility
Study of an Intermodal Trade and Transport Facility for Rijeka
Environmental Impact Assessment and Review of Technical and Financial Feasibility for the Port of Zadar
Rijeka Water Utility Public-Private Partnership
Contractors and Project Sponsor Management Training

Macedonia (FYR)

Economic Feasibility Study and Environmental Impact
Assessment of the Skopje-Blace Road (Year 2)
Technical Assistance to Macedonian Railways Restructuring Project
Public Media Campaign for Municipal Water Tariffs
Economic Feasibility Study and Environmental Impact Assessment of the Skopje-Blace Road (Year 1)
Telecom Proceeds Investment Fund—Management Training for Contractors

Romania

Design of Financing Program for Water and Sanitation in Small and Medium Cities
Technical Assistance for an Independent External Evaluator to Support ISPA Water Infrastructure Contracts
Technical Assistance to the Romanian Ministry of Public Finance to Implement Water Infrastructure Projects
Preparation of a Model Service Agreement for Water Utilities and Owners
Nadlac-Deva Road Motorway Feasibility Study
Management Training for Local Contractors, Water Utilities, and the National Administration for Roads
Development of International Tender Documents for Wastewater Treatment Plant in the City of Braila
Independent External Evaluation of Tenders for the ISPA Environmental Measure for Jui Valley
Model Water Service Contract for Water Utilities

Yugoslavia (FRY)

Municipal Infrastructure Reconstruction
Program—Preparation of Investment Program for Three Municipalities

Regional

Infrastructure Management Train the Training Institution (TTI) Support
Public-Private Partnerships in Infrastructure
Support for Development of International Treaty for Sava River Basin
Regional Project Management for Training-the-Trainer Support

To date, projects have been implemented in most of the target countries.

EcoLinks Program

The EcoLinks Program is the Bureau's major effort in the area of environmental trade. It was created to provide assistance in addressing environmental issues in the region of Europe and Eurasia (E&E) while also assisting US business in entering that market. EcoLinks, which began operation in 1998, addresses solutions to environmental problems throughout the region by establishing lasting partnerships among environmental businesses, governments, and associations in the region, and between these organizations and US environmental businesses. The partners undertake projects that not only solve environmental problems but also help local participants adopt the best available environmental management practices and the most appropriate technologies.

Approximately 90 percent of the EcoLinks budget has gone for the Grants Program, which is operated under a cooperative agreement with the International Institute for Education. The remainder funds the Trade and Investment Program, which partly funds an inter-agency agreement with the Commercial Service of the Department of Commerce.

EcoLinks facilitates the development of these partnerships using two distinct but complementary program components: the Partnership Grants Program and the Trade and Investment Program. The primary responsibility of the Grants Program is to provide financial assistance for initial partner meetings and for feasibility studies; the Trade and Investment component facilitates the transfer of environmental technology. However, both components play essential roles throughout the process of establishing partnerships and supporting successful project completion.

EcoLinks' activities cover three general areas: outreach and partner matching, support for feasibility studies, and follow-on project development. Project partnerships are solidified through Trade and Investment partner matchmaking sessions and by the Grants Program Quick Response Awards, which play a crucial role in enabling potential partners to have face-to-face meetings. Once a partnership is established, the EcoLinks Grants Program provides feasibility study funding and project oversight, with an emphasis on the transfer and promotion of improved environmental management practices and high potential for partner sustainability. In many cases, projects that have been awarded EcoLinks feasibility study funds demonstrate significant potential for follow-on funding and further project development. EcoLinks supports these projects, as well as others that are not developed through an EcoLinks feasibility study, by providing guidance and contacts for additional project funding and development.

By supporting partnerships between US businesses and organizations in the E&E region, as well as intra-regional partnerships, EcoLinks leverages a large pool of talent and experience. Working closely with US businesses strengthens the capacity of individual municipalities and businesses in the region to develop and manage projects.

The box below briefly catalogs the program's highlights during calendar year 2001. In addition to

| EcoLinks Highlights at a Glance | |
|---|--------|
| 2001 | |
| Number of Countries Where EcoLinks Is Involved | 10 |
| Number of Countries With Grants Program Managers | 7 |
| Number of Countries With Tech Transfer Reps | 7 |
| | |
| Total Number of Grants Issued | 61 |
| Total Value of Grants Issued (\$000) | 3,000 |
| Additional Investment Resulting from Grants (\$000) | 40,000 |
| | |
| Total Number of Successful Trade Deals | 47 |
| Total Anticipated Value of Deals (\$000) | 42,700 |
| | |
| Total Number of Delegates Brought to the US | 221 |

providing funding, guidance, and appropriate technologies to a diverse array of projects in the region, EcoLinks has facilitated access for US businesses to many environmental project opportunities. An important spin-off has been that several US companies are now opening offices in the E&E region as a direct result of their activities under EcoLinks. Given the marked increase in such follow-on activities during 2001, the impact of the program is expected to continue to grow.

Environmental Activities in Albania As of January 2002

Mission Director: Howard J. Sumka
Deputy Director: None
Program Officer: James W. Bonner
MEO: Kristaq Jorgji
Desk Officer: Nicholas B. Higgins

Key Documents:

R4. FY 2002

Strategy. USAID/Albania Revised Strategic Plan FY 2001-2004, December 2000

Program Summary: Albania is the most agricultural country in Europe and, in many ways, one of the least advanced in its process of transition. The country's substantial progress in economic and political transition between 1992 and 1996 was severely disrupted by the collapse of several pyramid schemes and resulting civil unrest. USAID/Albania revised its mission strategy in December 2000, reducing the number of Strategic Objectives from nine to six and, in the process, eliminating its former environmental SO. The SOs in the new strategy include: (1) growth in self-sustaining private enterprises, with a particular emphasis on agriculture, (2) expansion of civil society, (3) improved legal system, (4) improved primary health care, and a variety of special initiatives and cross-cutting programs grouped under two SOs.

Activity: Private Forestry Development Program (APFDP)

Vehicle: Contract

Implementers: Chemonics

Timeframe: Ended in FY 2000

Description: USAID helped transfer state-owned forests to local government units as part of a program to strengthen community decision-making and alleviate forest degradation. By late 2000, the project was expected to transfer 35,000 hectares of the country's state-owned forests and pastures to local management and control.

Activity: Watershed Analysis (180-0039)

Vehicle: 632(b) transfer to US. Forest Service

Implementers: U.S. Forest Service, USDA

Timeframe: Ended in FY 2000

Description: The U.S. Forest Service, through a 632(b) inter-agency transfer, provides technical assistance to the Ministry of Agriculture and Food to complete a Watershed analysis of the two major river basins in Albania. The pilot project, scheduled to end in March 2001, has generated much useful data for the Ministry of Agriculture and Food to use in policy decisions and watershed management and protection strategies.

Activity: Regional Energy Restoration (180-0030)

Vehicle: various

Implementers: US Energy Association, National Association of Regulatory Utility Commissioners (NARUC), Alliance to Save Energy, US Department of Energy, US Nuclear Regulatory Commission, Pierce Atwood (law firm), CMS Energy, Nexant, Electrotek Concepts

Timeframe: FY 1991-2004

Description: Albania faces a major challenge in reversing the physical and financial deterioration of the electricity sector and in achieving a balance between supply and demand. USAID/Albania contributes to the E&E Regional energy initiative that will assist the GOA to transform the electrical energy sector into an efficient system and enable Albania to participate effectively in the regional grid.

Activity: Training and TA Support in Water Utility Management Regional Infrastructure Project (A-6)

Implementers: Booz Allen and Hamilton, Ministry of Works

Timeframe: June 2001-January 2002

Description: The objective of this Training and TA Activity is to enhance the use of modern management practices in municipal water utilities and the basin councils. The scope includes both utility manager training and technical assistance to build the capacity and financial sustainability of a local training institution in Albania. This Activity will begin developing training materials and best practice guidelines for water system operators and managers. The main tasks include: (1) Work with the RIP-identified local training institution, provide assistance to develop training modules for mid-level managers covering the topics of water utility operations, project management, investment planning and finance/cost recovery; (2) Provide training assistance to conduct training courses for targeted utility and basin council staff together with the local training institution on a partially subsidized basis; (3) Conduct training evaluations and "willingness to pay for training" surveys to refine the course offerings so that the local institution can become financially self-sufficient; and (4) Explore opportunities for including an exchange program with appropriate water utility systems in the U.S.

Activity: Infrastructure Monitoring System

Vehicle: Regional Infrastructure Project A-8

Implementers: Booz Allen and Hamilton, Prime Minister's Office

Timeframe: March 2001-March 2002

Description: The objective of this TA Activity is to establish an effective and financially sustainable project management system providing insight directly to the Prime Minister and other senior executives regarding the current status of Albania's infrastructure programs' results, schedule and budget positions. The identification of commonalties will enable the staff of the Prime Minister's office (referred to here as the "Infrastructure Monitoring Unit" or IMU) to propose intermediate or wholesale revisions to future infrastructure procurements – from design, through implementation, and finally to sustainable contract monitoring. The IMU will be operational in principle from the outset of this TA (by linking government staff with Albanian and expatriate advisors) but will not be institutionalized legally until such time as the Prime Minister and other decision-makers see the value in establishing a single governmental entity to harmonize infrastructure procurements throughout Albania. This unit will be designed to both drive Albania's infrastructure projects forward, and to have the visibility and prestige necessary

to attract and retain capable staff. The scope of the Infrastructure Monitoring Unit is to provide overall management control and support across the implementing ministries. It would not displace the project-specific Project Management Units (PMU's) that are being used to implement donor-financed projects, but it would conduct ongoing oversight of the progress, cost and quality of their work.

Activity: Management Training for Local Contractors
Vehicle: Regional Infrastructure Project A-10
Implementers: Booz Allen and Hamilton
Timeframe: June 2001-January 2002

Description: The objective of this project management training activity is to expand the use of international-standard project management concepts and techniques by domestic transport and water infrastructure contractors while concurrently developing the capacity of a local institution to provide international standard project management training on a financially sustainable basis. The scope of the Activity will include establishing construction management standards (including attention to pre-qualification for tendering requirements and FIDIC), exploring successful practices whereby domestic contractors can increase their competitiveness by partnering with international firms, and developing quality certification and auditing procedures. The main tasks include: (1) Conduct a rapid project management training needs assessment; (2) Formalize an agreement with a local project management training entity, including involvement of selected trainers in the Regional RIP Training-of-Trainers program (Refer to RIP TA Activity Reg-1); (3) Adapt and deliver several construction project management training modules on a subsidized basis to local contractors meeting selection criteria; and, (4) Evaluate Year 1 progress and results, and make recommendations for Year 2 RIP support.

Environmental Activities in Armenia As of January 2002

Mission Director: Keith Simmons
Deputy Director: Carol Payne-Flavell
Program Officer: Marvin Dreyer (Acting)
MEO: Michael Boyd
Desk Officer: Erin Nicholson

Key Documents:

R4. FY 2003 R4.
Strategy: USAID/Armenia Strategic Plan 1999-2003
Other: USAID/Armenia website provides detailed descriptions of program activities

Program Summary- The Armenia program provides assistance in: (1) private sector restructuring and development, including reform of commercial law, tax and fiscal systems, privatization, land registration and titling, and capital markets and financial system development; (2) development of an efficient, reliable, and low-cost energy sector; (3) democracy and governance; (4) social transition programs to mitigate the short-term adverse effects of the transition; (5) a new water management program to improve the policy and institutional framework for improved water quality and quality monitoring, and (6) other cross-cutting and special initiatives.

Activity: A More Economically and Environmentally Sustainable Energy Sector (111-015)
Vehicle: Implemented through a variety of contracts, grants, and interagency transfers.
Implementers: Advanced Engineering Associates International (AEAI) is the lead contractor in the area of energy efficiency, demand side management, sustainable financing and renewable resources. The Academy for Educational Development (AED) and PA Consulting Group provide energy management training. PA is the lead implementer in energy pricing and policy/regulatory reforms. The U.S. Energy Association (USEA) works with private energy suppliers. The U.S. National Association of Regulatory Utility Commissioners (NARUC) along with the U.S. Department of Energy, Nuclear Regulatory Commission, and U.S. Geological Survey also provide assistance on the regulatory regime and other issues.

Timeframe: FY 1999-2004

Description: USAID supports the efforts of the Armenian Government to privatize remaining state-owned energy enterprises and promote economic and environmental efficiency and diversify energy sources. Specific interventions include technical assistance, training, and equipment provision to improve commercial operations, introduction of modern tariff methodologies, promotion of legislative and regulatory reform, development of demand-side management and other energy saving measures, identifying and testing new energy technologies, and rehabilitation of existing technologies, and encouraging the rationalization of regional energy trade.

Activity: More Sustainable Water Management for Enhanced Environmental Quality (111-016)

Vehicle: One contract with ARD for national activities, along with a buy-in to a regional contract with DAI.

Implementers: Associates in Rural Development (ARD) is implementing a project to develop Armenia's capacity for sustainable management of water resources at a national level. In addition, Development Alternatives, Inc. (DAI) is undertaking a project to assist the key institutions involved in water management amongst Armenia, Georgia, and Azerbaijan.

Timeframe: FY 2000-FY 2004

Description: The Special Objective was designed to address severe consequences of environmental degradation in Armenia resulting from deteriorating water quality and quantity. It includes a package of discrete measures focused on certain national-level systems and the testing of local-level approaches, with the improved monitoring of water quantity and quality as the unifying theme. Over the course of this three-year Special Objective, USAID expects to establish and/or strengthen key water-sector institutions, improve water quantity and quality indicators, and promote legal and policy reforms.

Environmental Activities in Azerbaijan As of January 2002

Mission Director: *Mike Farbman*
Country Coordinator: *Bill McKinney*
MEO:
Desk Officer: *Erin Nicholson*

Key Documents:

R4. FY 2002

Strategy. Strategic Plan dated Oct. 1, 2000

Program Summary: USAID assistance to Azerbaijan is limited both by the relative lack of political and economic reform in the country and by a legislative prohibition (Section 907 of the Freedom Support Act) against assistance to the Government of Azerbaijan, though the latter has been waived for FY 2002. Industrial enterprises, including oil and gas, power generation, and many types of manufacturing, remain in state hands. Privatization has occurred primarily in agriculture and in retail trade. USAID assistance, in addition to continuing humanitarian assistance to persons internally displaced by the war, focuses on micro, small and medium enterprise development, especially in agriculture, and on the promotion of civil society. Although there is some potential for environmental activities in conjunction with this, a review of activities, objectives, and indicators, suggests that any environmental involvement is minimal.

Environmental Activities in Belarus As of January 2002

Mission Director: Chris Crowley
Country Program Coordinator: *Christine Sheckler*
MEO:
Desk Officer: *Jeanne Briggs*

Key Documents:

R4. FY 2002

Program Summary: Belarus is one of the least advanced of the former Soviet Republics in terms of political and economic reforms and USAID's programming reflects that. Apart from an interagency transfer to the State Department for transportation costs for humanitarian commodities, the country program consists of a single SO focusing on civil society development and limited support to SME business associations.

There are essentially no environmental activities in the USAID Belarus portfolio with the exception of ISAR, and regional and global activities are limited. In 2001 USAID undertook a limited bio-diversity assessment.

Environmental Activities in Bosnia-Herzegovina As of January 2002

Mission Director: Ed Kadunc
Deputy Director: Robert P. Jacobs
Program Officer: Ellen Leddy
MEO: Merritt Broady
Desk Officer: Vacant

Key Documents:

R4. FY 2002
Strategy. Mission Strategic Plan, 2001

Program Summary: USAID's program in Bosnia and Herzegovina was expected to consist of activities in three areas: (1) Economic reform, (2) Democratic Reform, and (3) Infrastructure rehabilitation particularly focused on promoting the reintegration of displaced ethnic minorities.

The economic development program is a combination of institutional development, particularly in the financial sector, privatization, and business development. The program has included efforts to improve accounting standards and corporate governance, and measures to build a western-style banking system.

The democratic reform portfolio supports independent media, support for the development of moderate political parties, and the development of civil society. The democracy program is particularly focused on technical assistance to the administration of the multi-ethnic Independent District of Brcko.

Efforts to promote the reintegration of minority community members are now supported under the new Community Reintegration and Stabilization Program (CRSP), launched in late FY 2000. In FY 2001, USAID planned for projects to provide basic services, such as water and power, for minority returnees.

Apart from environmental aspects of water and power projects, there are no environmental programs in the bilateral program. A small number of environment-related activities are funded under the Regional Infrastructure Project.

Activity: EcoLinks— Unaccounted for Water Reduction Plan
Vehicle: EcoLinks Matching Grant
Implementers: Vodovod I Kanalizacija, Konjic, Bosnia and Herzegovina; Value Add Management Services, North Andover, MA; Hydro-Engineering Institute, Sarajevo, Bosnia and Herzegovina
Timeframe: 2001-2002

Description: The water supply utility in Konjic faces a high percentage of unaccounted-for-water (UFW) that is usually at 60 – 70% of their total water production. The causes of UFW

will be assessed and an unaccounted-for-water reduction plan consisting of precise measures to correct each cause will be developed. This will be completed with the goal of reducing UFW, decreasing the burden on local water resources, and improving the management of the water supply system. The project will produce an unaccounted-for-water reduction plan with the goal of reducing UFW to 25%. The plan will include: guidelines for mapping, metering improvements, activities needed for full network monitoring, activities needed to reduce losses, and a long-term policy for the reduction of unauthorized and un-metered water use.

Activity: EcoLinks— Substitution of Drinking with Technological Water and Introduction of a Recycling System in the Production Process

Vehicle: EcoLinks Matching Grant

Implementers: UNIS UNISGAL d.o.o., Konjic, Bosnia and Herzegovina; Recovery Engineering and Sales, Inc. (REASCO), Arvada, CO; PLAN d.o.o., Konjic, Bosnia and Herzegovina

Timeframe: 2001-2002

Description: The UNISGAL Company, a coating and galvanization plant, uses drinking water from the City of Konjic's water supply system as technological process water. A high percentage of this water is discharged as wastewater rather than recycled. This project will examine options for alternative sources of technological water such as replacing the drinking water with water from the Neretva River or by using underground water through a system of wells. It will also consider decreasing process water input demand by recycling the cooling water and plating process rinse water. Recycling will decrease the volume of wastewater discharged from the company and reduce the potential for toxic metal ion discharges. The project will produce a feasibility study based on production processes data that provides cost estimates and comparisons for different solutions as well as a recommended system for implementation.

Environmental Activities in Bulgaria As of January 2002

Mission Director: Debra McFarland
Deputy Director: None
Program Officer:
MEO: Jay Lee
Desk Officer: Nick Higgins

Key Documents:

R4. FY 2002

Strategy. USAID/Bulgaria Country Strategy 1998

Other. Contractor web sites (ARD, EcoLinks)

Program Summary: Despite instability in the region, Bulgaria has made relatively good progress in its economic transition, with several years of five percent plus GDP growth. The private sector's share of economic growth is now over 70%. USAID's activities in promoting economic growth focus on firm-level technical assistance to small, medium, and micro-enterprises, commercial law reform, and credit for agriculture and agribusiness, microenterprise, and energy efficiency. USAID also works extensively in financial system reform, including regulation of banks, securities markets, private pension funds, and health-care financing.

USAID's democracy and governance activities focus on improved judicial administration and training for judges and magistrates, strengthening of NGOs, independent media, and support for political parties and processes, as well as strengthening of local governments.

Environmental activities are included in three areas: financing for energy efficiency under the private sector strengthening SO, support for natural resources and bio-diversity management under a cross-cutting initiatives SO, and a buy-in to the USDOC EcoLinks activity.

Activity: Biodiversity Conservation and Economic Growth Project (part of Special Initiatives 183-041)

Vehicle: Task Order under Biodiversity and Forestry IQC

Implementers: Associates in Rural Development (ARD)

Timeframe: FY 2000-2002

Description: Building on a foundation of more than eight years commitment to biodiversity conservation in Bulgaria, this project focuses on:

- o Support for biodiversity conservation financing mechanisms, including fees, trust funds and foundations,
- o Park income generation and small enterprise development linked to protected areas goods and services
- o Implementation of new management plans for the two parks
- o Development of a collaborative management planning process for a World Heritage Site and significant biodiversity area, and
- o Major public awareness and information exchange efforts

Activity: Establishment of Sustainable Environmental Partnerships (EcoLinks)
Vehicle: Interagency Transfer to USDOC
Implementers: USDOC and Partners
Timeframe: June 2003

Description: The EcoLinks Program is a five-year regional effort that links Bulgarian businesses, local governments, and associations with counterparts in the U.S. or within the Central and East European region in solving common urban and industrial environmental problems. To date, EcoLinks has awarded 34 challenge grants and 33 quick response awards to Bulgarian companies and municipalities. Two current challenge grant projects are described below.

Activity: Municipal Energy Efficiency Project (part of Accelerated Development and Growth of Private Enterprises in a Competitive Environment SO 183-013)
Vehicle: Loan Guarantee
Implementers: United Bulgarian Bank
Timeframe: unspecified

Description: USAID's Municipal Energy Efficiency Project assists selected Bulgarian municipalities and companies in introducing energy-saving technologies and developing sustainable energy efficiency financing mechanisms. Technical assistance focuses on both project development and host-country capacity building to identify and prepare bankable proposals for municipal energy projects. Projects are initially funded under a DCA agreement with the United Bulgarian Bank, under which USAID guarantees up to 50% of the loan.

Activity: Development of Constructed Wetlands Wastewater Management System
Vehicle: EcoLinks Matching Grant
Implementers: Municipality of Sewliewo, Bulgaria; ECOKAN LLC, Cary, North Carolina
Timeframe: 2001-2002

Description: The Municipality of Sewliewo's existing sewage system is incomplete and discharges untreated wastewater directly into the nearby creek. The municipality is looking for a reliable, cost effective and low maintenance system to address this problem. Under this project, they will examine the use of constructed wetlands for treatment of their municipal wastewater. Options for a constructed wetlands wastewater management system will be proposed and evaluated based on local conditions. The project will produce a feasibility study, environmental impact assessment, technical designs and cost models will be developed to examine the local use of constructed wetland systems as a wastewater treatment technology.

Activity: EcoLinks—Plovdiv Municipal Water System Leak Detection and Abatement
Contract: EcoLinks Matching Grant
Implementers: Plovdiv Municipality, Bulgaria; EWA Environmental Technologies Inc., Herndon, VA; Stalker-KM LTD, Sofia, Bulgaria
Timeframe: 2001-2002

Description: The municipal government of Plovdiv has started a long-term development initiative to modernize and expand its water distribution system. An important initial step in this multi-year, multi-phased program is the assessment of the current state of Plovdiv's drinking water distribution system and the implementation of a leak detection and abatement project. This project will demonstrate on a pilot scale a leading-edge technology for

water system leak detection using web and wireless monitoring and reporting systems. Based on the outcome of the demonstration, a feasibility study will be developed for the system-wide deployment of the system.

Activity: Training Program for Independent Road O&M Units

Vehicle: Regional Infrastructure Project B-14

Implementers: Booz Allen and Hamilton, Bulgaria Road Executive Agency, and Ministry of Regional Development

Timeframe: June 2001 on for extended period

Description: The objective of this project management training activity is to expand the use of international-standard project management concepts and techniques in the O&M units. Concurrently, the capacity of a local institution will be developed to provide the training on a financially sustainable basis. The scope of the Activity will include materials development in the areas of scope management, operations and maintenance management, and financial/risk analysis. The main tasks include: (1) Conduct a rapid project management training needs assessment (perhaps in cooperation with the Bulgarian Association of Management Consultants); (2) Formalize an agreement with a local project management training entity, including involvement of selected trainers in the Regional RIP Training-of-Trainers program (Refer to RIP TA Activity Reg-1); (3) Adapt and deliver several project management training modules on a subsidized basis to O&M personnel meeting RIP's selection criteria (including an exploration of the use of distance learning techniques, given the far-flung locations of the Units); and, (4) Evaluate Year 1 progress and results, and make recommendations for Year 2 RIP support.

Environmental Activities in Croatia As of January 2002

Mission Director: Pamela Baldwin
Deputy Director:
Program Officer: *Clay Epperson*
MEO: *Zeljka Zgaga*
Desk Officer: *Anne Convery*

Key Documents:

R4. FY 2002

Strategy. USAID/Croatia Strategic Plan 2001-2005, January 2001

Program Summary: Following the election of the new, reformist, government in 2000, the USAID program in Croatia expanded substantially, both in funding and in scope. The current program, detailed in the January 2001 Strategic Plan, centers on four strategic objectives: (1) growth of a dynamic, competitive private sector; (2) increased citizen participation and improved governance; (3) accelerated return and sustainable reintegration of war-affected populations; and (4) mitigation of adverse social conditions and trends. A fifth collection of activities under the heading of "cross-cutting programs" was also projected. Cross-cutting programs included anti-corruption, information and communications technology, training and environment.

In addition, there are environmental activities implicit in the infrastructure activities undertaken under the return and reintegration SO. Finally, Croatia participated in Regional Infrastructure Program, under Increased Environmental Management Capacity to Support Sustainable Economic Growth Activity, (180-016)

Activity: EcoLinks—Cleaner Production and Economical Management of Utilities
Vehicle: EcoLinks Matching Grant
Implementers: Jarran Galenski Laboratorij d.d.(JGL), Rijeka, Croatia; PMC Technologies, Exton, PA
Timeframe: 2001-2002

Description: This cleaner production project will reduce the environmental impacts from JGL's pharmaceutical manufacturing process. An environmental audit will be performed that will develop a process flow diagram for the facility to quantify wastes, emissions and energy consumption. A prioritized list of waste minimization, pollution prevention alternatives and energy saving will be developed. Some initial improvements by reducing water and energy consumption will be performed during the project. The project will produce an environmental audit will be completed that includes a process flow diagram, waste and emissions inventories, and a prioritized list of facility improvements.

Activity: EcoLinks—Topusko Greenhouse Project, Reuse of Energy and Cleaner Production
Vehicle: Ecolinks Matching Grant
Implementers: Municipality of Topusko, Topusko,Croatia; LEMTECH Konsulting, Krakow, Poland
Timeframe: 2001-2002

Description: The project will evaluate the feasibility of establishing a public-private partnership to operate energy efficient and environmentally sound greenhouse facilities in the city of Topusko. The use of hot geothermal water will be considered as an efficient, cost effective energy source for the facilities and a business plan will be developed for organic food and flower production. The project will produce feasibility study and business plan will be prepared to attract international investors.

Activity: PSP Strategy for City of Rijeka municipal companies
Vehicle: Regional Infrastructure Project (RIP) C-12
Implementers: Booz Allen and Hamilton
Timeframe: April – December 2002

Description: The objective of this activity is to help the city of Rijeka identify a Private Sector Participation Strategy (PSP) for its municipal companies (public transportation, waste collection, gas distribution, traffic management, etc). RIP would carry out the following tasks: 1) Review the city finances and development priorities; 2) Analyze services, performances and future investment requirements; 3) Based on 1 & 2 set suitable PSP options 4) Socialize these options through a workshop involving City's decision makers; 5) Recommend a PSP strategy.

Activity: Assistance to the City of Rijeka in the Feasibility Study of an Intermodal Trade and Transport facility (ITTF)
Vehicle: Regional Infrastructure Project (RIP) C-13
Implementers: Booz Allen and Hamilton
Timeframe: April – December 2002

Description: The primary objective of this activity will be to assess the technical and financial feasibility of an ITTF. Other objectives: 1) Defining the structure and characteristics of a public private development company that would finance and operate the facility; 2) Assessing the role of the city in this public-private company; 3) Assisting the city in negotiating with the private operator. In order to meet these objectives the following tasks would be performed: 1) Project future demand and revenues for/from ITTF; 2) Estimate investment cost for ITTF Phase I; 3) Define public-private ITTF Company Model and 4) Assist the City in negotiating the creation of the Public-Private ITTF Company.

Activity: Assistance to the Cities of Dmris and Kostajnica in identifying PSP options for their water utilities
Vehicle: Regional Infrastructure Project (RIP) C-15
Implementers: Booz Allen and Hamilton
Timeframe: April-August 2002

Description: The main objectives are: 1) Produce an investment plan supporting long term performance improvements and 2) Identify PSP Strategy. In order to meet these objectives RIP would: 1) Conduct Leak Detection and produce maps on the leakage situation; 2) Develop appropriate management tools to address the leakage problem (leakage abatement plan, preventive maintenance plan); 3) Develop an investment plan covering water supply and distribution and waste water treatment needs; 4) Recommend long term operational and financial performance improvements and 5) Identify PSP Strategy in support of these improvements.

Activity: Local Contractor Management Training
Vehicle: Regional Infrastructure Project
Implementers: Booz Allen and Hamilton
Timeframe: March – December 2002

Description: The objective of this project management training activity is to expand the use of international-standard project management concepts and techniques by domestic transport and water infrastructure contractors while concurrently developing the capacity of private sector delivery of international standard project management training on a financially sustainable basis. The scope for this training is both Croatia and elsewhere in the Region, following a general Regional Curriculum being prepared. The key task, as in other Balkan countries, is to customize, as necessary, in Croatia the basic elements of instruction put together in the Regional Training-of-Trainers Program in RIP Activity Reg-1. Specifically, RIP will: (1) Conduct a rapid project management training needs assessment; (2) Formalize an agreement to offer subsidized for-fee training by a local project management training entity, including involvement of selected trainers in the Regional RIP Training-of-Trainers program (Refer to RIP TA Activity Reg-1); (3) Adapt and deliver several construction project management training modules on a subsidized basis to local contractors meeting selection criteria

Activity: Civil Infrastructure Reconstruction Program – water projects
Vehicle:
Implementers: Louis Berger International
Timeframe: January - December 2002

Description: USAID's Strategic objective 3.1."Accelerated Return and Sustainable Reintegration of War-Affected Populations" seeks to achieve increased, sustainable return in selected municipalities and towns that have demonstrated their commitment to the process of minority refugee return. In support of this objective, the Civil Infrastructure Reconstruction Program, among other projects involves also small-scale water and wastewater systems and facilities. These projects mostly include replacement of pipes, replacement and up grade of pump stations, occasionally reconstruction of reservoirs and similar.

Activity: Jobs in the Parks Program
Vehicle:
Implementers: DOI – U.S. National Parks Services
Timeframe: April - December 2002

Description: The activity aims to support better park management and visitor services in selected National Parks. This year the program would do the following at the national parks of Krka and Mljet as well as at the nature park of Lonjsko polje: 1) identify and hire 30 young people (ten per park) particularly returnees for participation in an internship and job training program; 2) provide technical training to interns and park officials on various aspects of visitor services, interpretation; 3) support the development and completion of special projects by trainees which will result in specific products; 4) provide necessary field equipment and supplies for training and project development.

Environmental Activities in Cyprus As of January 2002

Mission Director: None
Deputy Director: None
Program Officer: None
MEO: None
Desk Officer: None

Key Documents:

R4. *None*
Strategy. *None*

Program Summary: USAID's grant to the United Nations Development Program (UNDP) to implement the Bicomunal Development Program contributes to reducing tensions and laying the groundwork for a political settlement to the long-standing division of Cyprus (between the Greek Cypriot and Turkish Cypriot communities) by promoting peaceful cooperation and collaboration on projects of mutual interest/concern. Although the Bicomunal Development Program is not specifically focused on environmental protection, components include the environment, public and animal health, and public infrastructure as well as economic development, education and culture, information and communications, and governance and civil society development.

The Program is currently working on numerous environmental initiatives which include: a project with the Nicosia municipalities (Nicosia is the divided capital of Cyprus) to conserve water by reducing losses in the city's shared water distribution system; projects to upgrade the shared Nicosia sewage treatment plant and sewer system; a project to improve Nicosia's Pedios River watershed; a project to assess and remediate an abandoned copper mine that may be impacting the island's shared groundwater reserves; a project to assess past earthquake activity and ensure adequate building codes; a project to assess the waste management sector and assist the communities to implement an island-wide waste management plan in line with international standards; and numerous projects to promote environmental awareness and sustainability through the civil society development program.

Environmental Activities in Georgia As of January 2002

Mission Director: Mike Farbman
Deputy Director: P.E. Balakrishnan
Program Officer: Earl Gast
MEO: Peter Argo
Desk Officer: Erin Nicholson

Key Documents:

R4. FY 2002

Strategy. Strategic Plan 2000-2003, June 1999

Program Summary: USAID has put in place a broad program to address the economic, political, and social problems of a country, which is at once strategically vital, chronically unstable, and corrupt. In its economic reform program, the USAID program in Georgia combines assistance in improving the enabling environment, including improved tax policy, tax administration, and budget administration, and assistance in private land registration, with assistance to small and medium enterprises. The latter includes credit programs for micro, small, and medium enterprises. At the firm level, USAID had supported business associations and promoted the adoption of International Accounting Standards. On a national level, USAID has assisted the government in a new securities law and accompanying regulatory structure.

In the area of democracy and governance, USAID has focused on improvements in the functioning of the legal system, especially the *Administrative Code*, as well as improvements in the efficiency and responsiveness of local governments. USAID has provided assistance with the development of legislation on self-government, municipal finance and local budgets, support for the local elections, the provision of training and handbooks for newly elected officials. USAID has also supported citizen advocacy groups and independent media.

Other activities address the provision of basic needs of vulnerable groups in sensitive areas of the country. These activities also address local self-help measures and conflict resolution. Finally, Georgia suffers from chronic energy shortages of both electricity and hydrocarbons and a major thrust of USAID's program is the development of an efficient and environmentally sound energy sector.

Activity: Economically Efficient and Environmentally Sustainable Energy Sector (114-105)

Vehicle: Various

Implementers: PA Consulting (training, restructuring, privatization, and legal assistance), Development Alternatives Inc. (water resource planning and management), Deloitte and Touche (audit of energy sector companies), AED (training and energy linkages program), and the U.S. Energy Association (training in all energy areas and partnerships).

Timeframe: FY 1996-FY 2003

Description: Despite the country's possession of significant hydroelectric potential and gas and oil deposits, Georgia has suffered from chronic energy shortages since its independence. USAID's activities have emphasized the creation of a climate that will attract private sector

participation and ownership, with subsequent improvements in the management of resources and provision of services; and improvement in energy sector efficiency in economic terms, leading to increases in capital and operating resources.

In all three areas, electricity, gas, and petroleum, USAID's efforts have focused on the separation of production and distribution with adequate pricing, billing, and collection at each stage. USAID has also begun pilot energy efficiency demonstration programs, including weather stripping, insulation, and energy source conversion. Payback periods for these activities were shown to vary from as little as a few months to four to five years—very worthwhile investments for most firms or households.

Georgia is blessed with abundant water resources and about 60% of the total electric generation is hydroelectric. USAID is applying modern methods to watershed and resource management. Assistance is also being provided to advance discussions with Azerbaijan and Armenia on watershed and river basin management.

Environmental Activities in Ireland As of January 2002

Mission Director: None
Deputy Director: None
Program Officer: None
MEO: None
Desk Officer: Ron Ullrich

Key Documents:

R4. *None*
Strategy. *None*

Program Summary: USAID's support for the International Fund for Ireland carries out a number of activities in support of the peace process and inter-community reconciliation in Northern Ireland. Most USAID activities are carried out under two programs—the Wider Horizons Program and the Disadvantaged Areas Initiative. The Wider Horizons Program offers disadvantaged young people, aged 18-28, the opportunity to improve their employment prospects through the provision of training and work experience at home and abroad. The Disadvantaged Areas Initiative accounts for 90 percent of the Fund's program resources, targeting funds on the geographic areas of greatest need. Projects focus on community economic regeneration, community improvement, and border towns and villages with special emphasis on employment and business creation. Very limited projects with environmental benefits may be undertaken by the initiative.

Environmental Activities in Kazakhstan As of January 2002

Mission Director: Glenn E. Anders
Deputy Director: Michael T. Fritz
Program Officer: M. Babette Prevot
MEO: Ken McNamara
Desk Officer: Fred McDonald

Key Documents:

R4. FY 2002 R4, Feb. 2001

Strategy: USAID's Assistance Strategy for Central Asia 2001-2005, July 2000

Program Summary: The USAID program in Kazakhstan covers a full range of development activities, including (1) improved tax and budget policies and administration, implemented through the Barents group, (2) support for small and medium enterprises, (3) improved management of critical natural resources, including energy, (4) strengthened democratic culture among citizens and target institutions, (5) more effective, responsive, and accountable local government, and (6) increased utilization of quality primary health care for select populations.

Activity: Improved Management of Critical Natural Resources, Including Energy (115-0161)

Contract: A variety of contracts and inter-agency agreements are used.

Implementers: There are a number of discrete activities ongoing under this SO. Below are some of the major examples of activities being carried out. PA Consulting is the prime contractor for the Natural Resources Management Program. Under a separate mechanism, Israel's Center for Cooperation (MASHAV) is carrying out the Aral Sea activities. NOAA, working under an inter-agency agreement, is focusing on the development of systems to forecast snowmelt and systems for data sharing. Finally, the International Resources Group (IRG) is working on trans-boundary water issues, and US Energy Association (USEA) focused on building energy partnerships until the end of this past fiscal year.

Timeframe: FY 2001-2005

Description: This strategic objective supports a wide range of activities in the area of improved environmental policy, legislation, and regulation, environmental technology transfer, management of natural resources, and biodiversity. USAID is facilitating regional cooperation in water resources management and increasing access to information, knowledge, and skills needed to better manage natural resources. The Mission supports region-wide cooperation in sustainable water management through the development of trans-boundary water agreements through both the International Foundation for the Aral Sea and the Central Asia Economic Community.

Training and partnerships with U.S. policy specialists are helping the Kazakhstan Energy Association, the Anti-Monopoly Commission, Kazakhstan Electric Grid Operating Company (KEGOC), and Atyrau Heat and Power better manage the heat and power industry and regulate the oil and gas sector. In the Syr Darya Delta, the project is attempting to improve livelihoods in the areas of fisheries, business training, camel husbandry, traditional arts, water desalinization, and agro-forestry.

USAID is working to strengthen the decision-making skills of natural resources officials through better data collection systems, stronger partnerships with US policy specialists, and better public information techniques. Through NOAA it is helping improve the transmission of data collected at key stream locations to help natural resource managers make more informed decisions. The PA contract is demonstrating new technologies and management concepts to introduce safer and more practical ways to clean up oil fields in the Caspian Sea. In the northern Aral Sea, models are being developed to improve the lot of those whose livelihoods have been wiped out by the drying up of the Aral Sea.

USAID is supporting small-scale demonstration models in fisheries, tree planting (both commercial and non-commercial), irrigation efficiency and desalination. As part of the interagency transfer to NOAA, USAID is funding technologies and procedures to forecast snow melt, to enable regional officials to better plan water allocation.

Through the PA Consulting Group contract, USAID is building public interest and commitment for reform. Public awareness campaigns are increasing information about the need for better environmental management. PA is helping to winterize homes and to introduce energy efficient heating systems. U.S. experts are promoting market-based utility tariffs that protect disadvantaged customers and encourage energy conservation. With USAID help, energy-consumer NGOs are learning to advocate open and transparent energy prices and improved services. Training to parliamentarians on legal requirements is improving utility services.

Other ENR-funded activities have assisted in meeting the intermediate results of the SO. They include projects that have focused on petroleum and climate change issues. One project assisted the petroleum sector to resolve controversial regulatory issues related to privatization, including excise tax measures. The GOK has enacted rules and regulations incorporating USAID recommendations on environmentally sound petroleum drilling and pipeline operations. In another project, a climate change office (CCO) established under the auspices of the US/Kazakh Joint Commission is attracting potential foreign investors for projects that will lead to lower carbon emissions. Also, the ENR-funded EcoLinks Program promotes the SO through small grants to introduce US technologies that promote environmental protection and assists local organizations in finding business partners in the US who may have technology solutions for their problems.

Activity: Improved Regulation of Nuclear Power (115-015)
Contract: Interagency transfer
Implementers: U.S. Nuclear Regulatory Commission (NRC)
Timeframe: Continuing

Description: USAID is funding NRC to provide Material Protection, Control, and Accounting Support to the GOK through the development of regulations and the development of the licensing, inspection, and enforcement programs.

Activity: EcoLinks— Introduction of Cleaner Production Practices at FoodMaster's Dairies
Vehicle: EcoLinks Matching Grant
Implementers: FoodMaster Company, Almaty, Kazakhstan; Environmental Control Opportunities, LLC, Waynesboro, VA
Timeframe: 2001-2002

Description: This project assists FoodMaster Co. identify alternative solutions to their environmental problems related to product waste generation, water use, and energy use at its five plants in Kazakhstan. Specifically, they will design a plan for implementing EMS and ISO 14000 standards, develop a cost-effective and ecologically sound plan for dealing with whey wastes, and decrease water consumption through conservation and recycling. The project will produce an Environmental Management Manual for the dairy facilities will be produced based on the needs assessment and identified solutions.

Activity: EcoLinks— Quality Management of the Drinking Water in Leninogorsk
Vehicle: EcoLinks Matching Grant
Implementers: Leninogorsk Vodokanal, Leninogorsk, Kazakhstan; EnviroSmith Engineering, Inc., Suwanee, GA
Timeframe: 2001-2002

Description: The goal of this project is to improve the reliability and efficiency of the Leninogorsk Vodokanal water treatment plant. The partners will assess the condition of the plant, develop a near-term and long-term plan to renovate it and then prepare a feasibility study for long-term improvements. This study along with tender documents will be presented to financial institutions to fund the priority long-term improvements. The project will produce a prioritized improvement plan and tender documents; a feasibility study will be developed as a first step towards improving the operating efficiency of the treatment plant.

Activity: EcoLinks— Development of Integrated Solid Waste Management System at the Ferroalloys Plant
Vehicle: EcoLinks Matching Grant
Implementers: JSC Ferrochrome, Aktubinsk Ferroalloys Plant, TNC Kazchrome, Aktobe, Kazakhstan; EnSafe Inc., Memphis, Tennessee
Timeframe: 2001-2002

Description: This project will work towards developing an integrated industrial solid waste management system for the Aktubinsk ferroalloys plant. The project will focus on low-carbon slag waste that is a major problem because of its high concentration of soluble, toxic hexavalent chromium. The current slag generation and management practices as well as the potential impacts on environmental receptors and human health will be reviewed. Following this review, a feasibility study will be performed to identify alternative waste management practices and an economic, beneficial use for the slag. The slag is comprised mostly of calcium oxide (or quick lime), a valuable and widely used industrial compound. Results of the study will be presented to Ferrochrome's top management for integration into the plant's operations. The project will produce a feasibility study for alternatives for low-carbon slag production, utilization, and disposal as well as a management plan.

Environmental Activities in Kosovo As of January 2002

Mission Director: Craig Buck
Deputy Director: Andrew Sesson
Program Officer: Robert Jeminez
MEO: Mark Ellingstad
Desk Officer: Ron Ullrich

Key Documents:

R4. USAID/Kosovo R4 April 2001
Strategy. None

Program Summary: The USAID/Kosovo program focuses on economic development and reactivation with only minor environmental activities related to restoration of municipal water, sewage, and solid waste management services. Primary emphasis is on the establishment of an enabling environment for private sector development through privatization and the development of fiscal and financial institutions, with small amounts of direct assistance to producers. Democracy and governance activities support independent media, legal reform, court administration and alternative dispute resolution, political party strengthening, election administration assistance, and civil society development.

Limited environmental activities are included in the SO, "Restored Normalcy in Living Standards and Opportunities," which includes restoration of housing and municipal services.

Activity: Community Infrastructure and Services Program
Vehicle: Contract
Implementers: Parsons Delaware, Inc.
Timeframe: Ongoing

Description: USAID's Community Infrastructure and Services Program (CISP), is designed to revive and reactivate Kosovar communities through rehabilitation of small-scale and some medium-sized infrastructure projects. Covering the entire province of Kosovo, CISP targets war-damaged structures as well as those deteriorated from a decade of neglect.

Projects are implemented by local contractors under supervision of Parsons Delaware, Inc. Projects include repair of electricity systems, water and waste water systems, schools, bridges, roads, community centers, health clinics, municipal buildings, street lighting, and solid waste management systems.

CISP also includes institutional strengthening of selected public utilities. Through technical assistance and training, USAID is helping to build and create sustainability in electric and water utilities. Institutional strengthening focuses on utility management and administration at the municipal level.

Environmental Activities in Kyrgyzstan As of January 2002

Country Program
Officer: Tracey Atwood
MEO: Ken McNamara
Desk Officer: Fred McDonald

Key Documents:

R4. FY 2002 R4, Feb. 2001
Strategy. *None*

Program Summary: Kyrgyzstan is one of the more advanced of the Central Asian Republics in terms of economic reform, although progress in democracy and governance leaves much to be desired. The USAID program is also somewhat broader than in the neighboring republics, with the exception of Kazakhstan. The program encompasses eight strategic objectives, including fiscal policy and administration reform, promotion of small and medium enterprise with an emphasis on the institutional and policy environment, democracy and governance, with an emphasis on independent media and NGOs, strengthening of local government, support for primary health care and other activities, including participant training.

The energy and environment SO focuses primarily on control and management of water resources.

Activity: Environment Policy, Legislation, and Regulation
Vehicle: Contract
Implementers: PA Consulting
Timeframe: 2001-2005

Description: USAID is helping to improve access to information, knowledge, and skills so that environmental specialists can more effectively manage natural resources, particularly water resources. USAID is working with the State Energy Association to promote an independent regulatory authority to increase transparency in the power sector. USAID supports region-wide cooperation in sustainable water management through the development of trans-boundary water agreements through both the International Foundation for Aral Sea and the Central Asia Economic Community. USAID is helping to improve water management of the Paktaabad canal, a main canal used for irrigation, residents, and industry in Uzbekistan and Kyrgyzstan. Assistance includes minor civil works, communications and training to better monitor, plan, and allocate water resources within the canal system. USAID will demonstrate various energy efficient techniques in the electricity and heating sectors. Another demonstration model introduces new technologies that upgrade the control mechanisms of the irrigation system already in place in the Ferghana Valley.

Activity: Improved Snowmelt Forecasting and Regional Data Sharing
Vehicle: Interagency Transfer
Implementers: U.S. National Oceanographic and Atmospheric Administration (NOAA)
Timeframe: 2001-2005

Description: The U.S. National Oceanic and Atmospheric Administration (NOAA) is developing a demonstration model that will help regional officials better plan for water allocation using new technologies and procedures for snowmelt forecasting and regional data sharing.

Activity: Management of Natural Resources and Bio-Diversity
Vehicle: Grant
Implementers: Israel Center for Cooperation (MASHAV)
Timeframe: 2001-2005

Description: USAID is also working with Israel's Center for Cooperation (MASHAV) on a bio-drainage demonstration model there that presents the idea of planting carefully selected species of trees in targeted areas to help mitigate the rising water table.

Environmental Activities in Lithuania As of January 2002

USAID Post-Presence

Activities Manager: *Giedra Gureviciute*
Deputy Director: *None*
Program Officer: *None*
MEO: *Giedra Gureviciute*
Desk Officer: *Ron Ullrich*

Key Documents:

R4. *None*
Strategy. *None*

Program Summary: In September 2000, USAID officially closed its Mission in Lithuania, but continues its support for Lithuania through regional programs. Technical assistance includes assistance in the creation of a unified Common Baltic Electricity Market, including regulatory features. This helped enable Lithuania to fulfill its commitment to shut down Ingalina Nuclear Power Reactor No. 1, by 2005.

Environmental Activities in Macedonia As of January 2002

Mission Director: Stephen Haynes
Deputy Director: None
Program Officer: Brad Fujimoto
MEO: Robert Resseguie
Desk Officer: Stacia George

Key Documents:

R4. Strategy. FY 2002 R4 April 17, 2001
Amended Strategic Plan FY2001 - FY2004

Program Summary: The overall USAID program in Macedonia focuses on three strategic objectives: (1) promotion of private sector development through a combination of enabling environment reforms, strengthening of the financial sector and improving the competitiveness of Macedonian businesses; (2) a broad program of democratic development, including increased citizen participation, strengthening of local government, increasing the confidence in political processes and reform of the legal system; and (3) mitigation of adverse social impacts of the transition through workforce development, assisting vulnerable groups and strengthening the human capacity through educational programs.

Environmental activities represent a relatively small part of the USAID/Macedonia program and are a part of the improvement in municipal services part of the Mission's intermediate result to strengthen local government. In addition, the Mission indirectly contributes to protection of the environment by facilitating the implementation of community level initiatives, strengthening environmental NGOs and funding labor-intensive public works in all municipalities in the country.

Activity: Environmental and Economic Development Project
Vehicle: Grant
Implementers: International Center for Environmental Resources and Development (ICERD of the City University of New York)
Timeframe: 2000-2003

Description: This activity addresses wastewater treatment problems throughout the country, especially in areas that have difficulties connecting to larger wastewater treatment plants. This includes:

- (a) designing small-scale, cost effective wastewater treatment units based on local needs through a participatory process with communities, local firms and other relevant institutions,
- (b) supporting the local economy, by producing these units and providing maintenance which creates jobs and increases incomes,
- (c) an improved living environment for citizens, and
- (d) increased public awareness regarding pollution and resulting problems.

Activity: EcoLinks Partnership Grants
Vehicle:
Implementers: Institute of International Education with the Regional Environmental Center for Central and Eastern Europe.
Timeframe: 1998 - 2003

Description: EcoLinks Partnership Grants strengthens the capacity of organizations in Macedonia to develop and implement market-based solutions to urban and industrial environmental problems. Grants facilitate cross-border partnerships and provide funding for cooperative environmental projects. By learning from each other or from U.S. experience, businesses and municipalities in the region can shorten the timeline for improving both their environmental performance and operating efficiency. This activity provides Challenge Grants (\$50,000) and Quick Response Awards (\$5000) in Macedonia. To date, 13 Challenge Grants and 28 Quick Response Awards have been awarded.

One of the grants was awarded to the Municipality of Veles for improvement of municipal solid waste management. The primary goals of this project are to collect information and data about the present situation with solid waste management in the Municipality of Veles; to analyze and determine options for solid waste management improvements; and to prepare a strategy for implementing the most feasible options. This strategy will focus on ways to reduce the amount of waste that is deposited at the landfill. The project will produce a feasibility study that includes a report on the current state of the municipal waste management system, a strategy for improvements, and a public education program.

Another \$50,000 Challenge Grant was awarded to the Electric Power Company of Macedonia to assess the feasibility of rehabilitating seven small hydro power plants. As a result of this EcoLinks grant, the power company has signed a \$19.6 million concession contract with a consortium of British and Czech investors to establish a new joint venture that will rehabilitate, operate and transfer the seven hydro plants over eleven years. The output from the rehabilitated hydroelectric plants will reduce CO2 emissions by 136.2 tons by replacing power generated from coal. The plants' electrical production will increase from 86.4 GWh to 101.4 GWh annually, generating environmentally friendly power and \$320,00 to \$640,000 in additional yearly income.

Activity: Economic Feasibility Study and Environmental Impact Assessment for the Skopje-Blace Road
Vehicle: Regional Infrastructure Project M-14
Implementers: Booz Allen and Hamilton, Macedonian Road Fund
Timeframe:

Description: The objective is to complete an Economic Feasibility Study and EIA for the Road Fund while concurrently developing the capacity of local contractors to carry out international-standard feasibility studies. This study will be used by the Government of Macedonia to support an application for financing with the European Investment Bank for its construction. The scope will involve cooperating with the Road Fund and local consultants to design and conduct the feasibility study. The main tasks include: (1) Review the preliminary technical design and environmental analysis completed in November 2000; (2) Select local consultants to cooperate in the study; (3) Conduct a one week project feasibility training session for local consultants; (4)

Work collaboratively with local consultants to complete the study, taking responsibility for a document that meets international quality standards.

Activity: Macedonia Railways Restructuring Project
Vehicle: Regional Infrastructure Project M-15
Implementers: Booz Allen and Hamilton
Timeframe:

Description: The objective of this activity is to support Macedonia Railways' (MZ) efforts to identify, evaluate and implement a restructuring strategy in a manner consistent with European Union transformation practices for railway enterprises. RIP is facilitating discussions among the main stakeholders (including the World Bank) to enable MZ and the Government of Macedonia to reach an agreement on (a) the option for the restructuring and the concessioning of MZ, and (b) the framework for the restructuring/concessioning process. Once the strategy is identified and evaluated, the Government of Macedonia will be in a position to obtain financing to implement the transformation of MZ. Macedonian consultants are actively engaged in this activity.

Activity: Train-the-Training Institution (TTI) Support
Vehicle: Project Reg-3
Implementers: Booz Allen and Hamilton
Timeframe:

Description: The scope of the TTTI project includes three major components: (1) Building financially viable local infrastructure management service organizations in each country; (2) Forming a South East Europe (SEE) regional network of infrastructure professionals and associations through the delivery of high demand infrastructure management action-training workshops; and (3) Enhancing the RIP infrastructure management curriculum and database, and making these readily accessible throughout SEE. As part of component 2, RIP is planning to carry out a "Regional Workshop on Water Awareness Public Outreach" in Macedonia. Macedonian consultants are actively engaged in this activity.

Activity: Management of Investment Project Implementation
Vehicle: Regional Infrastructure Project M-13
Implementers: Booz Allen and Hamilton
Timeframe: July 2001-July 2002

Description: The year 2000, Macedonian Government allocated more than \$ 95 million to a Macedonian Telecom Investment Program to funds 140 plus projects across 15 Ministries. More than 75% of the investment program will go for local infrastructure type projects under the supervision of five Ministries: Transportation, Local Government (primarily water projects), Health, Education and Agriculture. The Task Force in charge of implementation of this investment program recognized a high priority need for development of a management tracking and control system that will ensure that projects will be managed by the Ministries with full attention to time cost and performance consideration. In response to this need USAID supported the Regional Infrastructure Program (RIP) for Water and Transportation under the Stability Pact. The objective of this project management training activity is to improve the understanding and use of project tracking and control tools in Macedonia, on a national and municipal level, and at the same time improve the capacity of local Macedonian institutions to provide project management training in the future.

Activity: Community Self-Help Initiative
Vehicle: Contract
Implementers: Louis Berger
Timeframe: June 2000 -September 2003

Description: The Community Self Help Initiative (CSHI) aims at introduction and acceptance of a community development concept at a local level. This activity encourages community groups to identify priority needs through a collaborative planning process and to implement selected sustainable projects that will improve the quality of their lives. A total of 105 projects have been approved to date, with funding totaling more than \$4.7 million. The approved projects are located throughout the whole country and fall in one of the following categories: (1) improvements of quality of life, (2) development of small infrastructure, and (3) economic development and income generation. Eighteen of the approved projects, with total funding of \$1,152,000, involve construction of water supply systems in rural communities.

Activity: Youth Employment Support
Vehicle: Grant
Implementers: UNDP
Timeframe: October 2001 -September 2002

Description: A decade of reforms and transition toward market economy resulted with rising levels of poverty and high unemployment of the Macedonian population. The Youth Employment Support Program is designed to alleviate these severe socio-economic pressures through providing productive alternatives to hostility and conflict to youth all over the country. It assists local governments in all 124 municipalities in Macedonia to generate employment opportunities for youth of age 18 - 30 through small, labor-intensive public works. These public work projects are selected based on locally identified priority needs. 61% of these projects are concentrated in the area of environmental management, and usually include organizing park areas, tidying up and beautification of riverbeds, construction of amusement parks, children playgrounds and skateboard yards, reforestation and landscaping, cleaning, etc. The remaining projects fall in the category of small infrastructure repair and restoration of public buildings. The provided funding of \$2,000,000 should generate 10,000 person-months of employment throughout the country.

Activity: Democracy Network Program
Vehicle: Cooperative Agreement
Implementers: Institute of Sustainable Communities
Timeframe: March 1995 -December 2002

Description: The goal of the Democracy Network Program is to develop and strengthen a broad range of indigenous sustainable public policy-oriented non-governmental organizations (NGOs). Since its inception, the DemNet Program has enhanced democratic institutions and promoted citizen participation by strengthening civil society organizations [CSOs] through training, technical assistance, and grant support. Among the various partners of this program are six environmental NGOs. As a result of the assistance and funding provided to them, these NGOs first lead their communities through a successful process production of a *Local Environmental Action Plans [LEAPs]*. Then they facilitated the design and implementation of environmental improvement projects that were identified in the LEAPs. The projects included the refitting of a drinking water purification plant with a new filter, the installation of solid waste

containers, and the deployment of water quality monitoring equipment, among others. Multi-stakeholder entities composed of representatives from the business and CSO sectors, and the municipal governments prepared the LEAPs.

Environmental Activities in Moldova As of January 2002

Country Program Officer: *Tom Lofgren*
Program Officer: *None*
MEO: *Ken Lyvers*
Desk Officer: *Jeanne Briggs*

Key Documents:

R4. Strategy. *FY 2002*
None

Program Summary: The USAID program in Moldova is organized around four strategic objectives: (1) fiscal and financial reform, including the promotion of International Accounting Standards, (2) private enterprise growth and promotion, including the reform of legal and regulatory environment, (3) establishment of local democratic institutions, and (4) strengthening the social safety net for vulnerable groups.

Environmental activities are divided between the second and fourth SOs. In the growth SO, the USAID program focuses on the reform of the energy regulatory system, including the district heating system. In addition, as part of the Private Farmer Commercialization Program (PFCP) CNFA has conducted a Programmatic Environmental Assessment and monitors the implementation of appropriate environmental mitigation measures and best practices in connection with regional input supply center and rural farm store projects. The social safety net SO includes weatherization activities for a variety of institutions.

Activities in both of these areas support efforts to reduce energy consumption, and thus, by and large, emissions of greenhouse gasses. The Mission's activities can be categorized as either 1) direct efforts aimed at increasing energy efficiency and decreasing consumption, or 2) efforts aimed at correcting market imperfections which distort consumption patterns (whose effect, generally, is to encourage increased consumption.)

A biodiversity assessment was completed for Moldova as part of a three-country activity that included Belarus and Ukraine.

Activity: Municipal Network for Energy Efficiency
Vehicle: Cooperative Agreement
Implementers: Alliance to Save Energy
Timeframe: April 2001 - April 2002

Description: Moldova is part of the USAID-Alliance supported Municipal Network or Energy Efficiency (MUNEE) program which was created to help cities in transitional countries meet the challenge of world-market energy prices through enabling greater energy efficiency. It gives municipal leaders an opportunity to implement critical energy saving programs through regional

training and exchanges, technical assistance, and policy analysis. In Chisinau, the Alliance is working with municipal officials, heating companies, and housing associations on basic municipal energy management, reducing areas of energy waste in city buildings, and improving supply/distribution efficiency. The activity aims to provide support for energy efficiency policy reforms, link Moldova with the new MUNE network established in the region and develop demonstration energy efficiency projects in Chisinau that show cost-savings gained from energy waste reduction.

One important component of the MUNE activity is weatherization. In the first year, eight needy institutions and one residential complex, totaling twenty-seven buildings, were reached. In the second year, an additional forty institutions, including half of all orphanages and boarding schools requesting assistance through the Ministries of Education, Health and Labor, Social Protection and Family, were weatherized. An impact assessment of the first program showed positive quantitative and qualitative results, including an increase in indoor temperature in the weatherized buildings and reduced fuel consumption. USAID continued institutional weatherization in preparation for the 2001/2002 winter. Budget-strapped institutions are increasingly required to pay utility bills in full, measures that reduce consumption offer real relief. USAID is weatherizing an additional 40 sites including the remaining orphanages and boarding schools, as well as more hospitals and nursing homes.

Activity: Utility Regulatory Cooperation
Vehicle: Cooperative Agreement
Implementers: National Association of Regulatory Utility Commissioners (NARUC)
Timeframe: September 1998 – September 2004

Description: Under the auspices of the Regional Energy Regulatory Program for Central/Eastern Europe & Eurasia, implemented under a cooperative agreement by the United States-based National Association of Regulatory Utility Commissioners (NARUC), the Moldovan National Energy Regulatory Agency (ANRE) participates as a member of the Energy Regulators Regional Association (ERRA). ANRE's participation as a contributing member of ERRA is designed coordinate an information exchange program among the region's energy regulatory authorities with a view to assisting and supporting ANRE's efforts to develop a stable, efficient, and competitive energy sector in Moldova. Under this rubric, NARUC also implements a regulatory-agency partnership program in conjunction with the Iowa Utilities Board.

This partnership, established in February 2002, will be approximately two years in length, with three to four exchange visits per year, divided between Iowa and Moldova. ANRE and the Iowa Utilities Board will develop a workplan that addresses the needs and interests of the two participating parties. The topics of instruction and informational exchange will include industry restructuring, competition, tariff methodology development, energy efficiency, cross-border trade, public hearings, and public relations. The NARUC/USAID Cooperative Agreement will cover the direct costs for travel, lodging and meals, while the partners donate their time, materials, and administrative support.

Activity: Moldova Energy Efficiency / Weatherization Project
Vehicle: Contract
Implementers: Advanced Engineering Associates International (AEAI)
Timeframe: September 2000 – September 2002

Description: The Moldova Weatherization Project resulted in energy-savings and better living conditions in institutions such as boarding schools, clinics, hospitals, and orphanages throughout Moldova that suffered from chronic energy shortages. It complemented other USAID energy sector reform projects, and provided humanitarian assistance. As of September 2001, weatherization work was completed in 53 public institutions, impacting 30,000 people throughout the country. Renovation included such heat-saving fixes as window and door replacement, glass replacement, caulking and insulation works. Sites were selected according to the populations they serve, levels of heating, humidity levels and criteria such as general condition of the building, and existing sources of heating. The project also trained local construction companies in weatherization and energy efficiency techniques; performing quantitative and qualitative impact assessment of energy savings; and creating a public education campaign on weatherization and cost-effective solutions to reduce heat loss.

Activity: Low Income Energy and Social Assistance Program (LIESAP)
Vehicle: Cooperative Agreement
Implementers: Counterpart International (CI)
Timeframe: September 2001 – September 2003

Description: To further reduce the initially negative impact of energy and utility restructuring on Moldovans, USAID launched its Low Income Energy and Social Assistance Program. Its primary objective is to provide targeted compensation to eligible low-income households for consumed electricity. Implicit in this is the implementation of an eligibility system and training to enable professionals within the Government of Moldova to manage and administer social welfare information systems and means-tested social assistance programs that help low-income consumers meet their basic utility needs.

Activity: Power Sector Privatization
Vehicle: Contract
Implementers: Deloitte Touche Tohmatsu
Timeframe: January 1999 – July 2002

Description: The program assisted the GOM with the sale of power distribution and generation plants. This involved the development of a steering (tender) committee to manage the privatization and bidding process in a fair and transparent manner which included developing a detailed work plan for the sale of the companies, refining privatization policies and procedures; and developing a tender for international investment advisors. Advice was provided to government in its negotiation of terms with the selected finalists and evaluation of bids from international investors to ensure competent bidders and fair revenue. Three of the countries' five electric power distribution companies were privatized in 2000.

Activity: Energy Sector Regulatory Development
Vehicle: Contract
Implementers: Pierce Atwood Attorneys
Timeframe: May 2000 – November 2002

Description: This project provides technical assistance for the establishment and organizational development of an effective, independent, and fully functional regulatory body, the National Energy Regulatory Agency (ANRE) to promote competition and efficiency in the Moldovan power and gas sectors and petroleum products market. Activities include: developing and implementing a legal framework balancing consumer and provider interests;

and ongoing advice on regulatory procedures, tariff design, licensing, consumer protection, energy efficiency, accounting and regulatory reporting systems and other policy and operational issues. In addition, ANRE staff receive training in financial analysis, accounting, and business management of the regulated energy sector, and obtain logistical support to attend regulatory training programs and conferences held in the region and abroad.

Activity: Private Farmer Commercialization Program (PFCP)

Vehicle: Support activity within PFCP Cooperative Agreement framework

Implementers: Citizens' Network For Foreign Affairs (CNFA)

Timeframe: 1 February 2001 – 31 January 2004

Description: The objective of this activity is to support development of the rural input supply and marketing infrastructure with the focus on private farmers. A new rural network of 10 Farm Service Centers and 85 Farm Stores is being developed to address major needs of newly emerged private farmers in Moldova. Farm Service Centers (FSCs) provide basic farm supplies, credit, seeds, small hand tools and tractor/combine and implement services on a fee basis for larger farms and farming groups on a regional basis. In addition, the FSCs often serve as purchasers and brokers for farmer output. Farm Stores serve as rural development centers in Moldovan towns and villages and provide access to farm inputs, equipment, machinery and output marketing services. Farm Stores often contain training NGO's and Savings and Credit Associations.

A Programmatic Environmental Assessment (PEA) was compiled to provide the basis for evaluating potential impact of the PFCP activity on the environment, particularly focusing on the issues of chemical and pesticide handling and storage relevant to FSCs and Farm Stores. PFCP specific interventions include direct production, processing and provision of supplies of farm chemicals and machinery, technical assistance, and training, including training in environmental issues. USAID builds capacity of the private farmers to develop an institutional framework, to deal with licensing and ownership issues and to comply with environmental legislation. Special attention is paid to monitoring water and soil quality in the country. PFCP projects provide an opportunity to establish a model for best practices including Integrated Pest Management and environmental protection without sacrificing profitability. Increased field and fruit crop production is an anticipated result of using these improved practices.

Environmental Activities in Montenegro As of January 2002

Mission Director: James Stephenson
Deputy Director: None
Program Officer: Alonzo Fulgham
MEO: Howard Handler
Desk Officer: Sarah Farnsworth

Key Documents:

R4. No FY 2003 R4.
Strategy. Montenegro Strategy, April 2002

Program Summary: Like Serbia, the Montenegro program focuses on three strategic objectives: (1) private sector development, including financial sector stabilization through improved prudential supervision, privatization of state enterprises, improvement of commercial law and its administration, including measures against crime and corruption, and measures to assist Montenegro in WTO membership and more generally to establish a stable and transparent trade and investment climate; (2) development of democratic institutions, including support for independent media, civil society, reform of the legal system and the judiciary, and assistance in electoral processes; and (3) measures to increase citizen participation at the local level in both political and economic decision making. This last includes measures to foster community organizations, political participation by ethnic minorities and inter-ethnic cooperation, and measures to improve local living conditions and effectiveness and responsiveness of local governments.

These three strategic objectives, as well as ongoing activities, include only very limited measures to address environmental problems. Ongoing activities include some very short-term measures to improve energy efficiency, increase weatherizing of buildings, etc.

Activity: Community Revitalization through Democratic Action (CRDA) (169-021)
Vehicle: Contracts and Grants
Implementers: Various implementers including Freedom House, IRD, CHF.
Timeframe: 1997-2006

This broad program promotes citizen participation in the political process and public decision-making and a stronger, pluralistic, transparent democratic political culture. It includes activities that support relief and economic rehabilitation, rule of law, local government management capacity and support and other areas. The program helps citizens directly participate in the decisions that affect their lives and the development of their communities. Activities the program has supported include investments in water and wastewater system upgrade and development and solid waste management. Local participants have noted the program as the first one that actually asked them what they really needed. The Mission anticipates that another 900 community-identified projects will be funded in FY2002. Many of these will be environmental in nature. The activity, which operates under SO 2.1 as of FY 2002, continues to support strengthened municipal management in the areas of financial management and

budgeting, information technology systems, and communal service management, as well as supporting national level decentralization efforts.

Environmental Activities in Romania As of January 2002

Mission Director: Denny F. Robertson
Deputy Director: None
Program Officer: Roslyn Waters-Jensen
MEO: Gianina Moncea
Desk Officer:

Key Documents:

R4. FY 2002
Other: Various contractor websites, EcoLinks website

Program Summary: The USAID program in Romania covers a broad range of development issues, reflecting the relatively slow progress that Romania made in its transition to democracy and free markets during the 1990s. In the area of private sector development USAID provides a combination of credit, technical assistance, and enabling environment reform with particular emphasis on the agricultural sector. USAID's assistance for the development of the financial sector promotes a broad range of financial sector reforms including enforcement measures for prudential regulation of banks, modernization of bank clearance measures, and pension and insurance regulatory reform.

Under the newly approved FY2002-2006 Strategy, USAID will continue to support countrywide private sector activities in those areas in which reform is most likely. These include: assisting in the de-monopolization of the IT sector; expanding support for SMEs; helping the agriculture sector leverage World Bank other donor funding in irrigation and agriculture credit; restructuring and privatizing the energy sector; revamping and improving the operation of finance and capital markets; and defining a new private sector role within health reform.

The modernization of the regulatory structure for the environment and energy sector continues to receive particular attention, including electricity and gas. This area includes energy regulatory measures related to the environment and address environmental management capacity, the legal environment, and the issue of financial sustainability.

The USAID/Romania democracy and governance activities are divided between promotion of civil society and decentralization and local government. A separate SO addresses the urgent social services needs of women and children with a special emphasis on health.

Activity: Increased Environmental Management Capacity to Promote Sustainable Economic Growth SO, 186-016
Vehicle: Contract and Grant
Implementers: International Resource Group (IRG), International Institute for Education (IIE), EPIQ, ECOLINKS, and Metcalf and Eddy (agreement ended 09/01).
Timeframe: FY 1991—FY 2002

Description: TA and training to build critical skills in the environmental sector, develop institutional capacity, and establish key policies addressing critical environmental issues. Training activities for national and local government and environmental businesses in management skills and environmental issues. Managers from various participating industries have adopted new programs and practices resulting in cleaner industrial processes and important cost savings. Important environmental sector laws were enacted or improved with assistance from USAID. The program also assists in building capacity to prevent toxic spills and other natural disasters.

Activity: Energy Sector SO (186-015)
Vehicle: Contracts, cooperative agreements
Implementers: Advanced Engineering Associated International (AEAI), Nexant, Electrotek Concepts, the U.S. Energy Association (USEA) and National Association for Utilities Regulators (NARUC).
Timeframe: FY 1995-FY2002

Description: USAID's assistance during the past years enabled CONEL (the major Romanian electricity distributor) and the entities derived from it to develop a new market structure. This was achieved through the unbundling of assets, privatization, improving financial and accounting systems and preparing grid codes and other standards. USAID provided assistance in assessing the status of the energy legislation and by providing support for the development of a consistent legal framework including technical and commercial codes. USAID supported the establishment of a permanent, independent regulatory authority the Romanian Agency for Regulation in the Energy Field (ANRE). This body produced a new, transparent regulatory framework that will accelerate the specific industry restructuring and will attract capital for the needed investments in Romania.

Sub activities:

Gas Regulatory and Restructuring Technical Assistance

Implementer: Bechtel National Inc. (Nexant)
Timeframe: 9/2000-9/2002
Description: Assists the national gas regulatory agency, ANRGN, in establishing the rules of a liberalized, competitive natural gas market by issuing a commercial code defining the relations between different participants in the market, and technical codes describing requirements in terms of quality of service, safety, and environmental protection. Assists the successor companies of ROMGAZ in implementing reforms.

Regional Energy Regulators Network

Vehicle: Cooperative Agreement

Implementer: U.S. National Association of the Regulated Utilities Commissions (NARUC)

Description: To exchange information among regulatory bodies in the region, in order to promote best practices and principles for a good regulatory regime. Conducts meetings of three working groups, annual conferences, information exchange concerning the rules of the market in different countries, and training courses.

Activity: Management Training for Local Contractors, Water Utilities and National Administration for Roads (RIP R24)

Vehicle: Regional Infrastructure Project (RIP)

Implementers: Booz Allen Hamilton

Timeframe: June 2001-Dec. 2001

Description: The lack of capacity to manage project cost and quality is inhibiting the development of the infrastructure sector in Romania. The beneficiaries of this RIP training activity will be the Romania Contractor and Builders Association in tendering, consulting, construction contracting; the National Administration of Roads in project preparation and project implementation in the highway sector; and the National Association of Utilities in contract management and IFI tendering procedures for water projects. This objective of this RIP activity is a Training of Trainers delivery capability in project preparation and project management skills in project appraisal, cost estimating, scheduling, procurement, construction supervision in the public and private sector for water and transport projects. Training will be offered at existing training institutions/organizations based on the Regional RIP approach. The main tasks include: (1) Conduct training-of-trainers on a fee-for-service basis for project management courses and (2) Train the private sector in delivering project management services. It also involves assisting first year private sector with strategies to market clients and deliver project management services.

Activity: EcoLinks-- Energy from Sawmill Waste in Bistrita Nasaud County

Vehicle: EcoLinks Matching Grant

Implementers: Project Performance Corporation, Richland, WA, USA; GIE FOLOS SRL, Bucharest, Romania

Timeframe: 2001-2002

Description: The City Hall of Ilva Mica is working with other villages in Bistrita Nasaud County to address the environmental problems caused by the wood processing operations in the region, mainly their waste production. The partners will look at various options for improving the efficiency and quality of wood production and will examine the possibility of installing a biomass energy system. This biomass-fueled heat and power facility would generate electricity for the regional mill operations and produce heat for drying the lumber.

A final report and feasibility study will be prepared with the proposed solutions and a process for implementing them. Also, a Local Stakeholders Advisory Board will be established, and a workshop will be organized at the end of the project to discuss the findings and next steps.

Activity: EcoLinks-- Implementing Energy Audits in School Buildings

Vehicle: EcoLinks Matching Grant

Implementers: Sandhill Associates, Brunswick, ME; Global Energy Services Ltd., Bucharest, Romania

Timeframe: 2001-2002

Description: This project will focus on increasing the energy efficiency of six schools in Giurgiu by conducting energy audits to analyze consumption patterns and changing some operations and equipment. A preliminary analysis estimates the energy savings potential at 32%. The project team will visit the US to observe energy efficiency measures in schools and municipalities as well as to discuss performance issues with municipal and state officials. The Municipality of Giurgiu will share their information and results regionally through the Black Sea Energy Cities Network.

An energy audit for each of the 6 schools identifying energy conservation measures, a list of low-cost and no cost measures to improve energy efficiency, and the implementation of retrofit measures along with other improvements in one pilot school.

Activity: EcoLinks--Integrated Solid Waste Management Program for Slatina
Vehicle: EcoLinks Matching Grant
Implementers: Aquatest a.s., Prague, Czech Republic; Quantum Leap S.A., Bucharest, Romania
Timeframe: 2001-2002

Description: The project's objective is to eliminate pollution sources resulting from the current methods of solid waste collection, transport and disposal in the city by developing an integrated solid waste program to include collection, recycling, and ecological disposal. The partners will analyze the current solid waste management system and improvement measures and then develop an optimization plan for the system including local policies, training and public education. The goal of the plan is to implement a functional integrated waste management program in the city that complies with EU quality standards, local policies and regulations concerning waste management and that includes a system of local fines and penalties for non-compliance, a public education program and a pilot recycling program at three points in the city.

Activity: EcoLinks-- Energy Audit for Energy Efficiency Improvements at UPSOM SA
Vehicle: EcoLinks Matching Grant
Implementers: Sustainable Energy Partnerships, Tarrytown, NY; : Energobit SRL, Cluj Napoca, Romania
Timeframe: 2001-2002

Description: Through an energy audit, the project will identify the most promising solutions for energy and emissions reduction for UPSOM, a soda manufacturing company. The study will look at ways to reduce electric power consumption at their heat generation site as well as inefficiencies in their electricity generation. Energy management practices and practices of energy consumers at the facility will also be examined.

The activity will produce a detailed energy audit that includes proposed solutions and next steps for continuing the activity. UPSOM plans to implement the suggested measures from the audit and will work to secure financing for the most promising investments.

Activity: EcoLinks-- The Improvement of the Solid Waste Management System for Suceava
Vehicle: EcoLinks Matching Grant

Implementers: The Local Council of Suceava Municipality, Romania; ASA Holding SA, Bucharest, Romania
Timeframe: 2001-2002

Description: The goal of the project is to minimize the environmental impact of the current solid waste system by improving its management and by minimizing the amount of residential waste deposited in the municipal landfill. The objective is to conduct a study of the existing system and make an inventory of both the short-term solutions for the rehabilitation of the current system without major investments and of the long-term solutions for the design of a new management system including a new landfill.

The activity will produce a feasibility study analyzing the different options for the solid waste management system including waste reduction, transportation, recycling, separation, and composting. Also, the major conclusions of the study will be presented in a seminar for the local council, other local authorities, the media and civil society representatives.

Activity: EcoLinks-- Feasibility Study for Modernization of Baneasa Heating Plants
Vehicle: EcoLinks Matching Grant
Implementers: AEAI, Watertown, MA; Institute of Power Studies and Design (ISPE), Bucharest, Romania
Timeframe: 2001-2002

Description: The project's goal is to prepare a feasibility study for the rehabilitation and modernization of two district heating plants in order to improve their energy efficiency. Included in the study will be an assessment for adding cogeneration units, a heat metering system pilot project and a financial plan for implementing the modernization measures.

The activity will produce a feasibility study providing technical solutions/options and a financial plan that will provide information on the project's bankability for investors. Finally, a workshop will be organized in Bucharest to disseminate the results of the project.

Activity: EcoLinks—Cleaner Production in the Ceramic Tiles and Sanitary Ware Industry
Vehicle: Eco Links Matching Grant
Implementers: SC Cesarom SA, Bucharest, Romania; Pojasek & Associates, East Arlington, MA
Timeframe: 2001-2002

Description: The production of ceramic tiles and sanitary ware uses large quantities of bulk raw materials, and current production techniques result in significant losses of raw materials into the environment through dust, wastewater and solid waste. The goal of this project is to reduce the loss of these materials by increasing the yield of finished product from input materials. This will be accomplished by evaluating the entire ceramic-production process from raw material purchasing practices to handling, storage, processing and finally waste treatment and disposal. Additionally, recycling and reusing materials will be assessed.

The project aims to produce a process flow diagram for the plant that will include mass balance analyses, an action plan for implementing those production process changes that are economically feasible, and a Quality Control/Quality Assurance Plan for monitoring production processes and waste discharges with a provision for continuous assessment of the situation.

Activity: EcoLinks—Creating a Solid Waste Reduction and Paper Recycling Service Program
Vehicle: EcoLinks Matching Grant
Implementers: RER Ecologic Service Galati, Romania; Swanson Environmental Management System, Inc., Highlands Ranch, CO
Timeframe: 2001-2002

Description: The project will help address the city of Galati's solid waste problems by initiating a solid waste reduction and recycling program. Activities will include a market study, a public education campaign, and a pilot recycling program with two businesses. RER, with its partners, hopes to develop and implement a recycling collection-to-market system that will responsibly manage the entire waste stream.

The project will produce a feasibility study that assesses the market opportunities for solid waste reduction and recycling services and that includes a market-entry approach. Also, a pilot recycling program will be conducted, and a report will be prepared that measures its results and lists next steps for introducing the program throughout Galati.

Activity: EcoLinks—Study for Reduction of Pollutants from Packaging and Toilet Paper Production
Vehicle: EcoLinks Matching Grant
Implementers: SC Vrancart SA, Vrancea, Romania; Sandwell Engineering Inc., Atlanta, GA
Timeframe: 2001-2002

Description: This project will evaluate alternatives for complying with all wastewater pollution limits related to the mill processes established under current Romanian legislation with a view to move towards EU standards. The study will include methods for modernizing the wastepaper processing plants to treat the rejects and wastewater resulting from mill processes, as well as modernizing the existing wastewater treatment plant and landfill area for sludge.

The project will produce a study that includes block flow diagrams, material balances, operating and capital costs as well as environmental impact and economic benefits for the proposed modernization. At the end of the project, a workshop will be held for the Romanian pulp and paper industry to disseminate the results of the project.

Activity: EcoLinks—Reducing Harmful Emissions by Energy Efficiency Measures
Vehicle: EcoLinks Matching Grant
Implementers: Good Consulting, Washington Grove, MD, USA; SC Proenerg SRL, Oradea, Romania
Timeframe: 2001-2002

Description: This energy efficiency program for this abrasive product manufacturer will consist of a detailed examination of the facility's energy uses, the main sources for energy waste and pollution, and recommendations for changes in operating practices to reduce energy consumption and emissions. It will also examine replacing versus rehabilitating equipment. Because the sandpaper section of the facility is the largest energy consumer, the audit will start in this section and then extend to the entire company.

This will produce an energy audit to identify the energy-saving measures with the highest potential and a business plan to attract prospective investors.

Activity: EcoLinks—Environmental Improvements by Modernization of Otopeni Thermal
Vehicle: EcoLinks Matching Grant
Implementers: Artemel International, Inc., Alexandria, VA, USA; Eninvest SA, Bucharest, Romania
Timeframe: 2001-2002

Description: This project will identify solutions for improving the environmental conditions at the Otopeni Clinic area. The overall goal is to reduce fuel consumption by *maximizing heat and power production efficiency* and to increase the energy efficiency of the incinerator and wastewater treatment plant. The energy consumption will be examined for the complex and the potential for modernizing the existing thermal plant, the wastewater treatment plant and the waste incinerator will be determined. The project will produce an environmental and financial assessment that will recommend options and technologies in order to determine the most suitable and cost-effective system.

Environmental Activities in Russia As of January 2002

Mission Director: Carol Peasley
Deputy Director: George Deikun
Program Officer: Charles North
MEO: Carol Pierstorf
Desk Officer: Jeanne Briggs

Key Documents:

R4. USAID/Russia 2003 R4, April 4, 2002
Strategy. *USAID/Russia Strategy (1999-2005)*
USAID/Russia Strategy Amendment (1999-2005) February, 2002
Other Resources. *USAID/Russia Activity Descriptions*, March 31, 2000
ENR Website information on ROLL & FOREST. (April 2002)
Congressional Budget Justification January 2002

Program Summary: USAID's program covers a broad range of sectors, including enterprise development, improvements in the enabling environment for the economy, citizen participation, rule of law and human rights, and a variety of crosscutting and special initiatives. USAID's program in the environment sector supports sustainable economic growth through improved capacity in environmental and natural resource management.

The environmental program in Russia is covered under SO 1.6 *Increased Environmental Management Capacity to Support Sustainable Economic Growth*. The program focuses on strengthening key Russian institutions to improve their capability to manage natural resources and protect the environment. The program focuses on five major areas: eco-businesses in targeted sectors strengthened, operating efficiency of businesses adopting environmentally friendly practices improved, practices that improve environmental quality of services adopted by municipalities, forestry management practices strengthened, and public participation to improve environmental resources management increased.

Through innovative eco-business and community development programs, USAID's activities help improve Russia's environment, create employment, and promote democracy. Technical assistance activities strengthen partnerships among Russian institutions to promote best practices in the areas of pollution control, land use and development, and environmental education. USAID's program helps to reduce the effects of global climate change by promoting forest fire prevention, reforestation, protected areas management, and sustainable use of timber and non-timber forest products. The program also builds trade linkages between the U.S. and Russia, increases employment opportunities for indigenous peoples, and helps to provide healthier living conditions for Russia's citizens. The Mission is evaluating linking SO 1.3-Accelerated Development and Growth of Private Enterprise to SO 1.6 to allow for more crosscutting projects.

Examples of projects that have supported SO1.6 include several that were completed under SO 1.3 such as the Energy and Environment Commodity Import Program, which ran from 1993 until 2000 and the 2-year Heat Energy Leveraging Program for Russia Far East. Projects completed under SO 1.6 include the 2-year \$750,000 Russia Far East Targeted Grants Program and the 5-

year Biodiversity Conservation in the Russia Far East. The Mission also has an IAA with the US Forest Service in support of a wide variety of forestry programs that has been operating for approximately 10 years.

Activity: Replication of Lessons Learned (ROLL)
Vehicle: Grant
Implementers: Institute for Sustainable Communities, US Forest Service
Timeframe: Through FY 2005

Description: The \$12 million ROLL Project matches partners, provides support services, and competitively awards moderate size (up to \$4,000) grants to Russian environmental organizations. These grants enable them to carry out initiatives that extend the lessons of the Environmental Policy and Technology (EPT) Project and other successful projects. The central aim of the project is to help Russians increase their own environmental management capacity to solve pollution problems, protect natural resources, and support sustainable growth.

Activity: Forest Resources and Technology (FOREST) Project
Vehicle: Contract
Implementers: Winrock International, Chemonics, The Heron Group
Timeframe: Through FY 2005

Description: The FOREST Project is a five-year, \$20 million initiative, which will operate from 2000 to 2005. The objectives of the project are to reduce the threat of global climate change and conserve biodiversity by promoting activities targeting fire prevention, pest control, forest policy, and sustainable use of timber and non-timber forest products, including the use of wood waste for local biomass energy generation.

Activity: EcoLinks—Feasibility Study for the Production of Wood Pellets Using Harvest and Saw Mill Waste
Vehicle: EcoLinks Matching Grant
Implementers: Kristal Ltd., Sakhalin, Russia; New England Wood Pellet, Inc., Jaffrey, New Hampshire
Timeframe: 2001-2002

Description: Through this project, a feasibility study will be developed for the construction of a wood pellet plant to reduce waste from timber harvesting, improve environmental conditions and provide an alternative energy source. Wood pellets are made of 100% waste sawdust that would otherwise be left in the forest or sent to landfills. They can replace traditional fuels, such as coal and diesel fuel oil, for both households and industrial purposes.

The project will produce a feasibility study will be developed and if the plant is feasible, a design plan will be prepared for the pellet plant.

Activity: EcoLinks—Alternative for Water Quality Improvement at Pavlovskoe Mine
Vehicle: EcoLinks Matching Grant
Implementers: JSC Primorskugol Mining Company, Vladivostok, Russia; EarthFax Engineering, Inc., Midvale, Utah
Timeframe: 2001-2002

Description: This project will evaluate alternatives for improving the mine water management at a surface coal mine with a focus on improving the mine drainage system and the quality of water discharged from the mine. The US partner will concentrate on alternatives that rely on technology applications with minimal consumption of power, water, and technical labor for implementation.

The project will produce a technical and economic assessment with recommendations will be conducted for improving the groundwater and surface water controls at the mine.

Environmental Activities in Serbia As of January 2002

Mission Director: James Stevenson
Deputy Director: None
Program Officer: Alonzo L. Fulgham
MEO: Mike Enders
Desk Officer: Sarah W. Farnsworth

Key Documents:

R4. None
Strategy. USAID Serbia Interim Strategy, Feb. 2002

Program Summary: The interim strategy for Serbia emphasizes three strategic objectives: (1) private sector development, including financial sector stabilization through improved prudential supervision, privatization of state enterprises, improvement of commercial law and its administration, including measures against crime and corruption, and measures to assist the FRY and Serbia in WTO membership and more generally to establish a stable and transparent trade and investment climate; (2) development of democratic institutions, including support for independent media, civil society, reform of the legal system and the judiciary, and assistance in electoral processes; and (3) measures to increase citizen participation at the local level in both political and economic decision making. This last includes measures to foster community organizations, political participation by ethnic minorities and inter-ethnic cooperation, and measures to improve local living conditions and effectiveness and responsiveness of local governments.

These three strategic objectives, as well as ongoing activities, include only very limited measures to address environmental problems. Ongoing activities include some very short-term measures to improve energy efficiency, increase weatherizing of buildings, etc.

Activity: Energy Conservation Measures (portion of Humanitarian Community Services and Facilities (169-031)

Vehicle: Various

Implementers: Alliance to Save Energy and Bechtel, Nexant, the United States Energy Association (USEA) and the National Association of Regulatory Utility Commissioners (NARUC).

Timeframe: 2001-2002

Description: In the area of urgent support for improved energy efficiency, USAID obligated \$5 million in FY2001. A dual approach, addressing both improved reliability of the domestic electric power and heating systems and more efficient energy use by consumers, is intended to provide both short and medium term relief for substantial numbers of people. Special attention provided to preparing public buildings, including schools, hospitals, clinics, and community centers for the winter season.

USAID also is undertaking a public education campaign will be conducted by the Alliance to Save Energy (ASE). ASE works with the Ministry of Energy to educate the public about energy

costs, the efficient use of energy, and appropriate choices of energy for different uses. Rehabilitation of public buildings (schools, hospitals, orphanages, and homes) is conducted by Nexant to improve the efficient use of energy. Facilities selected based on their visibility and impact on municipal energy costs. Rehabilitation serves as both a demonstration of energy efficient technology and a training ground for local installers and municipal officials. ASE provides public service advertising and programming promoting energy efficiency techniques and technologies demonstrated through the rehabilitation work. ASE also provides energy planning assistance to municipalities and assists the Standing Conference of Towns and Municipalities in the dissemination of educational materials on energy efficiency.

The United States Energy Association (USEA) and the National Association of Regulatory Utility Commissioners (NARUC) will advise the Ministry of Energy on planning and implementing regulatory and restructuring measures needed to rationalize energy tariffs.

Activity: More Effective, Response and Accountable Local Government (169-023)
Vehicle: Existing IQC for Local Government Assistance
Implementers: One or more of six groups: the International City and County Managers Association, Urban Institute, Research Triangle Institute, Abt Associates, Chemonics International, and Development Alternatives, Inc. The services of one or more local NGOs also may be employed.

Timeframe: FY 2001-2004

Description: This SO aims to improve local government management capacity and build a national association that effectively represents their interests. Municipal service priorities may include utilities and environmental cleanup activities.

Activity: Humanitarian Community Services and Facilities (169-031)
Vehicle: These activities are primarily carried out through agreements with the individual implementers (see below).
Implementers: Energy rehabilitation of public buildings and homes is implemented by Nexant. An energy public education campaign and energy planning is implemented by the Alliance to Save Energy (ASE). Energy planning is also carried out by the US Energy Association (USEA) and the National Association of Regulatory Utility Commissioners (NARUC).

The community rehabilitation program is implemented through grants to the Cooperative Housing Foundations (CHF) and Mercy Corps.

Timeframe: FY 2001-2002.

Description: This activity includes two kind of actions broadly included under the rubric of "environmental." First, it promotes energy efficiency in residential and public buildings through: (1) improved reliability of the domestic electric power and heating systems; and (2) more efficient energy use by consumers such as low-cost weatherization and a public education campaign.

Second, it rehabilitates, *inter alia*, municipal systems such as water and waste systems.

Activity: Special Initiatives (169-041 and 170-041).
Vehicle: Contract.
Implementers: Elektrizitats Gesellschaft Laufenburg AG.
Timeframe: FY 2001.

Description: One special initiative under this activity was financing the importation of electrical energy for the winter of 2000-2001.

Activity: Community Revitalization through Democratic Action (CRDA) (169-021)

Vehicle: Contracts and Grants

Implementers: Various implementers including Freedom House, CHF, IRD, ACDI-VOCA, Mercy Corps, ADF.

Timeframe: 1997-2006

Description: This broad program promotes citizen participation in the political process and public decision-making and a stronger, pluralistic, transparent democratic political culture. It includes activities that support relief and economic rehabilitation, rule of law, local government management capacity and support and other areas. The program helps citizens directly participate in the decisions that affect their lives and the development of their communities. Activities the program has supported include investments in water and wastewater system upgrade and development and solid waste management. Local participants have noted the program as the first one that actually asked them what they really needed. The Mission anticipates that another 900 community-identified projects will be funded in FY2002. Many of these will be environmental in nature. The activity, which operates under SO 2.1 as of FY 2002, continues to support strengthened municipal management in the areas of financial management and budgeting, information technology systems, and communal service management, as well as supporting national level decentralization efforts.

Environmental Activities in Tajikistan As of January 2002

Country Program
Officer: Mike Harvey
MEO: Ken McNamara
Desk Officer: Fred McDonald

Key Documents:

R4. February 2001
Strategy. Five Year Assistance Strategy for Central Asia, 2000

Program Summary: USAID's limited activities in Tajikistan focus on enterprise development, including measures to improve the enabling environment for small and medium private enterprises, improved management of water resources, a broad range of activities to strengthen democratic institutions and independent media, improvements in primary health care and cross-cutting programs (primarily participant training).

Activity: Improved Management of Critical Natural Resources, Including Energy (119-0161)
Vehicle: various
Implementers: PA Consulting, NOAA, and MASHAV (Israeli Center for Cooperation)
Timeframe: FY 2001-2005

Description: USAID's limited environmental activities in Tajikistan concentrate on improving the management of the country's critical water resources. In 2001, building on the successes of past efforts in other Central Asian countries, USAID supported training that provided natural resources officials with a stronger basis for decision-making through better data collection systems, stronger partnerships with U.S. policy specialists, and better public relations skills.

As a complement to this, USAID forged a partnership between the U.S. National Oceanic and Atmospheric Administration (NOAA) and the meteorological service of Tajikistan. Through this partnership, NOAA is building a demonstration model that will display new technologies and procedures for snowmelt forecasting and regional data sharing, and will help regional officials better plan for water allocation.

In the Ferghana Valley, the region's bread-basket, where recently high water tables put the area's fertility at risk of water-logging, USAID is working with Israel's Center for Cooperation (MASHAV) on a bio-drainage demonstration model. This model presents the idea of planting carefully selected species of trees in targeted areas to help mitigate the rising water table.

Environmental Activities in Turkmenistan As of January 2002

| | |
|--------------------------|-----------------------|
| Mission Director: | Glenn Anders |
| Deputy Director: | <i>none</i> |
| Program Officer: | <i>Babette Prevot</i> |
| MEO: | Ken McNamara |
| Desk Officer: | Fred McDonald |

Key Documents:

| | |
|------------------|---------------------------|
| R4. | FY 2002 R4, February 2001 |
| Strategy. | <i>None</i> |

Program Summary: USAID has a very limited set of activities in unreformed Turkmenistan. USAID's private-sector development programs provide credit, technical expertise, and training, and are increasingly focused on small and medium-sized enterprises. The objectives of USAID's modest-sized democracy programs in Turkmenistan were to encourage citizen participation, foster democratic concepts, and facilitate access to information. USAID pursued these objectives by supporting NGO efforts in the areas of civic and legal education, as well as community development and self-help activities. U.S. Government-funded humanitarian assistance is targeted at vulnerable groups such as the elderly, the disabled, and disaster victims.

Due to the paucity of results, USAID no longer supports programs for trade and investment and privatization in Turkmenistan. Budget reform efforts continue for the time being. USAID assistance to NGO's aims to develop a range of skills to encourage and enable citizens to more actively participate in local government and policy making.

USAID's health program provides training in new methods for primary health care. USAID worked to control and treat infectious disease, with new emphasis on control of HIV/AIDS.

USAID continues to promote implementation of the country's newly adopted oil and gas rules and regulations, organizing workshops and study tours to enhance the capabilities of regulatory agencies, and promoting international standards and practices. .

| | |
|----------------------|--|
| Activity: | Improved Management of Critical Natural Resources, Including Energy (119-0161) |
| Vehicle: | various |
| Implementers: | PA Consulting for the Natural Resources Management Program; and U.S. Department of Interior's Mineral Management Service for training of oil and gas regulators. |
| Timeframe: | FY2001-2005 |

Description: Turkmenistan is one of the least reformed of the states of the former Soviet Union. Turkmenistan has large oil and gas reserves. Its water resources almost totally originate in Tajikistan. The purpose of these activities is to change the way that water and energy resources in Turkmenistan are managed, largely through training and technical

assistance that will improve the management capacity of natural resources officials; improve policy and regulatory frameworks; and build public commitment. Activities will provide a stronger basis for decision-making through better data collection systems, stronger partnerships with U.S. policy specialists, and better public relations skills. Easily replicated, sustainable demonstration models will complement this training and technical assistance through the introduction of new cost- and resource-efficient technologies and procedures.

Because of the limited prospects for immediate reform, USAID's activities concentrate on trying to change the outlook and capabilities of future leaders of Turkmenistan.

Environmental Activities in Ukraine As of January 2002

Mission Director: Chris Crowley
Deputy Director: Alexandria L Panehal
Program Officer: Randall J. Thompson
MEO: Dan Thompson
Desk Officer: Bob Wallin

Key Documents:

R4. *FY 2002*
Strategy.

Program Summary: USAID/Ukraine has a very broad-based development program spread across thirteen strategic objectives. These include activities in fiscal reform, financial system development, enterprise development, energy, environment, citizen participation, legal system reform, local government development, health and several crosscutting or supporting objectives.

Environmental activities are primarily concentrated in the environmental SO (121-016) which focuses primarily on two areas, global climate change and local environmental initiatives. However, a number of environmental activities are also found in the energy SO and an activity to utilize remote sensing for resource planning purposes is found in the Crosscutting programs SO. A biodiversity assessment was completed for Ukraine as part of a three-country activity that included Belarus and Moldova.

Activity: A More Economically Sustainable and Environmentally Sound Energy Sector (121-015)
Vehicle: Various
Implementers: Deloitte and Touche (energy privatization); Hunton and Williams (legal and regulatory structure); Alliance to Save Energy (municipal energy efficiency and GCC); USEA and IIE (professional training)
Timeframe: Through FY 2002

Description: The primary focus of USAID's energy SO is the privatization of the energy sector. Elements of the strategy include: 1) power sector restructuring, which has helped transform the power sector from a vertically integrated monopoly to a market system with regulatory oversight of tariffs and licensing, and power distribution based on financial bids; 2) assisting the Government of Ukraine to privatize the power sectors, starting with 27 distribution companies; 3) development of a coal bed methane industry; 4) improving energy production and conservation by introducing new technologies, management techniques and applying market principles; and 5) supporting Ukraine's nuclear safety performance and improving nuclear sector regulation and inspection.

U.S. assistance is also helping Ukraine improve its environment with activities to: 1) strengthen environmental institutions within government, the private sector and the NGO community; 2) assist governments to improve the operations and management of infrastructure, particularly

water systems; 3) develop environmental assessment capacity within industry and promote eco-efficient business development; 4) coordinate with other donors and Ukraine to address social, environmental and energy efficiency issues related to the closure of the Chernobyl Nuclear Power Plant.

Activity: Climate Change Initiative (CCI)
Vehicle: Contract
Implementers: PA Consulting
Timeframe: FY 2001-2002

Description: The Climate Change Initiative (CCI) has been the principal activity for promoting integration of environment and economic development policies. The CCI established a climate change information center and project management office in Kiev. It provides links to international climate change programs and organizations and maintains a database of all climate change activities in Ukraine. The center's staff provides technical assistance to government, industry and NGOs, to identify viable investment projects and to develop business plans for greenhouse gas (GHG) mitigation.

The project analyzes options and provides an administrative structure to manage its national climate change program. The project has assisted Ukraine in conducting a national GHG emissions inventory. The CCI in Ukraine also promotes public awareness of the global consequences of climate change and of Ukraine's contribution and vulnerability to the problem, as well as to the potential benefits of international cooperation

The CCI program includes an extensive training program and seminars and workshops for government officials, NGOs, enterprise managers and climate change specialists. Training courses include: An Introduction to Climate Change; Greenhouse Gas Mitigation Measures; Project Preparation and Finance; Emissions Baselines for Investment Projects; and Monitoring, Evaluation, Reporting and Verification of GHG Emissions Reductions.

Activity: Local Environmental Action Program (LEAP)
Vehicle: Cooperative Agreement
Implementers: Institute for Sustainable Communities (ISC) and ISAR/Yednannia (Ukrainian NGO)
Timeframe: 2000-2003

Description: The Local Environmental Action Program (LEAP) is the principal activity for increasing the effectiveness of policies at the local level and for empowering citizens to affect environmental decision-making. USAID began LEAP in 2000 by reaching out to over 5,000 local communities, NGOs, and local businesses through a series of eight newsletters entitled Chysta Hata (Clean Hut). The newsletter spotlighted local environmental projects in Ukraine and disseminated success stories from other countries in the region. The project continued by assisting 10 communities in solving specific environmental problems. The project is developing a team of Ukrainian professionals that will provide local communities with the technical support that they need to implement environmental activities. As a result, NGOs and local authorities are being mobilized to undertake environmental cleanup and nature conservation activities across Ukraine.

Activity: Ukrainian Land and Resources Management Center (ULRMC) (under the Cross-Cutting Programs SO (121-042))
Vehicle: Cooperative Agreement
Implementers: Environmental Research Institute of Michigan International (Altarum); U.S. Geological Survey
Timeframe: 2000-2002

Description: The ULRMC applies remote sensing and geographic information system (GIS) mapping and other information technologies to land and resource management issues at national and local scales. The ULRMC has formed working relationships with officials and experts at key government agencies such as the Ministry of Emergency Situations and the Ministry of Ecology and Natural Resources. In 2000, the ULRMC conducted a number of successful demonstration projects including the analysis and forecasting of flooding in the Trans-Carpathian region, monitoring of fires and floods in the Chernobyl exclusion zone, and Geographic Information Systems for the Pervomaisk ecological disaster zone

Activity: EcoLinks—Reduction of Greenhouse Effect through Methane Utilization at Lugansk Landfill
Vehicle: EcoLinks Matching Grant
Implementers: JSC Protos, Lugansk, Ukraine; SCS Engineering, Inc., Reston, VA,
Timeframe: 2001-2002
Leader: JSC Protos, Lugansk, Ukraine
Partner: SCS Engineering, Inc., Reston, VA, USA
Partner: Scientific Engineering Center "Biomass", Kiev, Ukraine

Description: The Lugansk Landfill managed by Protos emits almost 4 million cubic meters of methane into the atmosphere each year. The following activities are planned to address this issue. First a feasibility study will be developed to assess different solutions for a LFG extraction, collection and utilization system and then, based on the study results, a demonstration project of the system will be set up and monitored. Finally, a business plan and marketing strategy will be developed for the implementation of a LFG extraction, collection and utilization system for the entire Lugansk landfill.

The project will produce a report on the present state of the Lugansk landfill and potential for a LFG extraction and utilization system, a monitoring report on the demonstration system and a business plan to implement the system throughout the entire landfill.

Activity: EcoLinks—Integrated System for Managing Solid Waste for Donetsk Iron and Steel Works
Vehicle: EcoLinks Matching Grant
Implementers: OJSC Donetsk Iron and Steel Works (DMZ), Donetsk, Ukraine; ICF/EKO Ltd., Moscow, Russia; Ukrainian Center for Ecological Auditing and Insurance Ltd., Donetsk, Ukraine
Timeframe: 2001-2002

Description: The goal of this project is to develop a strategy for waste management and to minimize the industrial solid waste generated at DMZ. For the waste management plan, the partners will look at the current situation at the plant, conduct a risk and environmental analysis, and then develop an environmental policy and waste management program for DMZ.

The project will produce an environmental audit report including findings and conclusions and an Environmental Policy and Waste Management program.

Activity: EcoLinks—Belgorod-Dnestrovsky Enterprise for Water Supply and Sewerage, Ukraine
Vehicle: EcoLinks Matching Grant
Implementers: Belgorod-Dnestrovsky Enterprise for Water Supply and Sewerage, Ukraine; SRC International CS, sro, Prague, Czech Republic; Century XXI, Ltd., Kiev, Ukraine
Timeframe: 2001-2002

Description: This project will develop a comprehensive strategy for water quality management in the Belgorod-Dnestrovsky city with the aim of improving the water supply and sewage water treatment efficiency, quality and reliability. After the major problems are identified, a range of potential measures will be suggested that would lead to substantial improvements in the city's water supply and sewage water treatment systems. The product will be an environmental audit of the drinking water and sewage water networks followed by a feasibility study and action plan for rehabilitating them.

Activity: EcoLinks—The Industrial Organic Wastes Utilization Program Involving Waste Combustion for Heat Energy Production
Vehicle: EcoLinks Matching Grant
Implementers: The Stryi District State Administration, Lviv Region, Stryi, Ukraine; District Heating Research and Development Center, Warsaw District Heating Enterprise, Warsaw, Poland; Energy Service Company Unifers Ltd., Lviv, Ukraine
Timeframe: 2001-2002

Description This project will assess the feasibility of using wood wastes produced by Stryi district enterprises for fuel for boiler stations and the impact of this activity on the environment. As part of the study, reconstructing the existing boiler stations and installing modern wood-burning heat boilers will be examined, as well as the possibility of introducing heat energy saving measures in buildings. Finally, an Action Plan will be developed for implementing the system in practice.

The project will produce an energy audit report on the coal-burning boilers and communal buildings, an action plan for utilizing wood wastes and a business plan for reconstructing the boilers to gradually burn wood waste and implement energy efficiency measures in buildings serviced by the boilers.

Activity: EcoLinks—Utilization of Biogas Extracted from Sewage at Ecotekhprom
Vehicle: EcoLinks Matching Grant
Implementers: Ekotekhprom, Ivano-Frankivsk, Ukraine; Energopol S.A., Lublin, Poland
Timeframe: 2001-2002

Description: The goal of this project is to determine the feasibility of using biogas produced from processing sewage at the sewage treatment plant to meet the plant's energy needs. Also, the project will modernize sludge handling at the plant. Modern sludge handling technology will help remove fermentation gas emissions, remove the need for grounding fields for sludge storage, and provide for both heat self-sufficiency and energy savings at the plant. It

will produce a report that examines the feasibility of the project and evaluates the options for implementation.

Activity: EcoLinks—Program of Saving Fuel and Energy Resources
Vehicle: EcoLinks Matching Grant
Implementers: Cherkasytransgas, Cherkasy, Ukraine; Indaco Air Quality Services, Inc., Fayetteville, NC, USA
Timeframe: 2001-2002

Description The objective of the project is to develop a program at these natural gas facilities to reduce methane emissions at the compressor stations and pipelines. Activities will include instrumental measurements of all natural gas (methane) leakages and the development of technical and organizational measures to repair and reduce the methane emissions within the system. In addition, staff at the compressor stations will be trained on how to implement the new methods of leak measurement and reduction. The project will produce a report that evaluates the gas leakage detection and measurement results followed by a repair plan including other measures needed to reduce the methane emissions.

Activity: EcoLinks—Utilization of Wood Wastes for Energy Production at Belichi Woodworking Plant
Vehicle: EcoLinks Matching Grant
Implementers: Belichskiy DOK, Kotsiubinske, Kiev, Ukraine; McNeil Technologies, Inc., Springfield, VA, USA

Timeframe: 2001-2002

Description: The goal of this project is to utilize the wood residues created at the Belichi woodworking plant by combusting it in a modern, clean-burning boiler for heat production. Wood biomass is an environmentally friendly fuel. It is CO₂ neutral and does not contain sulfur, chlorine and other elements hazardous to the atmosphere. All the heat produced would be used at the plant for drying lumber in the wood kilns and for heating the buildings in the winter. The project will produce a technical report that analyzes the quantity, composition and condition of the wood wastes generated at the facility, a heat energy audit and a final report that analyzes possible combustion technologies for using wood waste for energy production and that recommends the most suitable technology.

Environmental Activities in Uzbekistan As of January 2002

Country Program
Officer: Jim Goggin
MEO: Ken McNamara
Desk Officer: Fred McDonald

Key Documents:

R4. Uzbekistan R4
Strategy. *None*

Program Summary: USAID's program in Uzbekistan provides assistance in economic growth, primarily in credit, technical assistance, and training for small and medium enterprises. In democracy and governance, assistance focuses on assistance to NGOs, independent media, and civic organizations. In health, the program promotes the development of primary, preventive health care with particular emphasis on tuberculosis and HIV.

Environmental activities focus on water resources management with some activities in support of global climate change activities.

Activity: Improved Management of Critical Natural Resources, Including Energy (122-0161)
Vehicle: various
Implementers: PA Consulting, NOAA, EPIC on trans-boundary water issues, and MASHAV (Israeli Center for Cooperation)
Timeframe: FY 2001-2005

Description: USAID supports natural resources management in the Syr Darya River, one of the two major feeders to the Aral Sea, where managers are using a planning tool that USAID developed to make decisions on the allocation and distribution of water and energy in the region. One of the Syr Darya's major tributaries, the Chirchik River, has built an automated water management facility with USAID assistance that has increased downstream river flow to the Aral Sea by 100-150 million cubic meters per year (three percent) and has helped reduce water wastage.

USAID also supports Uzbekistan in discussions on global climate change. Uzbekistan presented its First National Communication on Climate Change this year, and was a major force behind a group dubbed the "Third Way". This group includes representatives of five ex-Soviet countries who are considering the possibility of taking on emissions targets indexed to economic growth.

USAID also provides training in better data collection systems that provide natural resources officials with a stronger basis for decision-making.

To complement this training, USAID funds the U.S. National Oceanic and Atmospheric Administration (NOAA) in assisting the meteorological service of Uzbekistan to build a demonstration model to better plan for water allocation using new technologies and procedures for snowmelt forecasting and regional data sharing.

In the Ferghana Valley, the region's breadbasket, high water tables put the area's fertility at risk of waterlogging. USAID funds a demonstration model introducing new technologies that upgrade the control mechanisms of the irrigation system already in place. USAID funds Israel's Center for Cooperation (MASHAV) on a bio-drainage demonstration model using carefully selected species of trees in targeted areas to help mitigate the rising water table.