

# **USAID/Kazakhstan**

## **RESULTS REVIEW AND RESOURCE REQUEST (R4)**

**February 2001**

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Note: This document was submitted as part of the Central Asia Region R4. See the Central Asia Region R4 for the entire document.

**Please Note:**

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*Released on or after Oct. 1, 2003*

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## Glossary of Acronyms

AAH	Action Against Hunger
ABA/CEELI Initiative	American Bar Association/Central and East European Law Initiative
ACDI/VOCA	Agricultural Cooperative Development International/Volunteers in Overseas Cooperative Assistance
ACS	Agency for Civil Service
ACTR/ACCELS	American Council of Teachers of Russian/American Council for Collaboration in English and Language Study
ADB	Asian Development Bank
AED	Academy for Educational Development
AIHA	American International Health Alliance
AMC	Antimonopoly Committee
ARI	Acute Respiratory Infections
BEO	Bureau Environmental Officer
CAAEF	Central Asian-American Enterprise Fund
CAEC	Central Asian Economic Community
CAR	Central Asian Republics
CAR EPI NET	Central Asian Epidemiology Network
CCO	Climate Change Office
CDC	Centers for Disease Control and Prevention
CGA	Certified General Accountants of Canada
COP-4	Fourth Conference of the Parties
DFID	Department for International Development
DHS	Demographic and Health Survey
E&E	Bureau for Europe & Eurasia
E&E/DGSR	Bureau for Europe & Eurasia/Office of Democracy and Governance
EBRD	European Bank for Reconstruction and Development
EPIC (IRG)	Environmental Policy and Institutional Strengthening (International Resources Group)
EU/TACIS	European Union/Technical Assistance to the Commonwealth of Independent States
GDP	Gross Domestic Product
GGERI	Greenhouse Gas Emission Reduction Initiative
GOK	Government of Kazakhstan/Government of Kyrgyzstan
GOT	Government of Tajikistan/Government of Turkmenistan
GOU	Government of Uzbekistan
GTZ	German Agency for Technical Cooperation (Gesellschaft für Technische Zusammenarbeit)
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immuno Deficiency Syndrome
IAS	International Accounting Standards
IBRD	International Bank for Reconstruction and Development (World Bank)

ICMA	International City/County Managers Association
ICNL	International Center for Not-for-Profit Law
ID	Infectious Diseases
IESC	International Executive Service Corps
IFAS	International Fund for Aral Sea
IFES	International Foundation for Election Systems
IFI	International Financial Institution
IMF	International Monetary Fund
IMR	Infant Mortality Rate
IATP	Internet Access and Training Program
IR	Intermediate Result
IREX	International Research & Exchange Board
ISA	International Standards of Auditing
ISAR	Initiative for Social Action and Renewal in Eurasia
IUD	Intra-Uterine Device
JI	Joint Implementation Program
JICA	Japan International Cooperation Agency
Kaz	Kazakhstan
KCLF	Kazakhstan Community Loan Fund
KNB	Committee for National Security
Kyr	Kyrgyzstan
LSL	League of Student Lawyers
MASHAV	Israel's Center for Cooperation
MCI	Mercy Corps, International
MERLIN	Medical Emergency Relief International
MOH	Ministry of Health
MSI	Media Sustainability Index
MPP	Mission Program Plan
NANSMIT	National Association of Independent Mass Media in Tajikistan
NBRK	National Bank of the Republic of Kyrgyzstan
NDI	National Democratic Institute
NGO	Non-governmental Organization
NIS	Newly Independent States
NOAA	U.S. National Oceanic & Atmospheric Administration
OSCE	Organization for Security and Cooperation in Europe
PHC	Primary Health Care
PMP	Performance Monitoring Plan
PVO	Private Volunteer Organization
R4	Results Review and Resource Request
SME	Small- and Medium-sized Enterprise
SMEDA	Small- and Medium-sized Development Agency
SO	Strategic Objective
STIs	Sexually Transmitted Infections
Taj	Tajikistan
TB	Tuberculosis
TBD	to be determined

**USAID/Central Asia Region 2003 R4**

TB DOTS	TB Directly Observed Treatment Short Course
TBESCM	Electronic Surveillance Case Management System for Tuberculosis
TCP	Trans Caspian Pipeline
TNCs	Transnational corporations
TV	Television
U. S.	United States
UN	United Nations
UNAIDS	Joint United Nations Program on HIV/AIDS
UNDP	United Nations Development Program
UNFCCC	United Nations Framework Convention on Climate Change
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Childrens' Emergency Fund
UNMOT	United Nations Mission of Observers in Tajikistan
UNFPA	United Nations Fund for Population Activities
USAID/CAR	United States Agency for International Development/Central Asian Republics
USDA	United States Department of Agriculture
USEA	United States Energy Association
USTR	United States Trade Representative
WB	World Bank
WHO	World Health Organization
WHO DOTS	WHO Directly Observed Treatment Short Course
WTO	World Trade Organization

## **R4 Part I: Overview and Factors Affecting Program Performance**

### **Introduction**

Bordered by Russia, China, Afghanistan, Iran and the Caucasus, the five Central Asia Republics – Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan and Turkmenistan – have a combined population of 55 million, a land mass greater than Western Europe, and a significant share of the world’s oil and gas reserves. The U.S. Government’s overarching goal in these five republics, as described in the respective Mission Performance Plans (MPP) of each of the five U.S. Embassies, is to promote stable, market-oriented growth that will enable access to its oil, gas and mineral resources, as well as political stability in the region. The U.S. also seeks to prevent the expansion of radicalism, narcotics and arms trafficking from neighboring countries, such as Iran and Afghanistan. Stable economic and political growth will enable the respective governments to address global health and environmental problems, such as the spread of HIV/AIDS and drug-resistant tuberculosis and the waste of water and energy resources.

In 2000, a new five-year Assistance Strategy for USAID in Central Asia was developed and approved. This new strategy recognizes the region’s historical and geographic isolation, lack of any experience of modern statehood, halting transition toward economic and political reforms, and its deteriorating health and environmental conditions. The strategy takes a longer-term approach, which seeks to educate governments, nascent businesses and new professionals, and civil society – citizens, particularly young adults – on the benefits of reform to build commitment and pressure for change, a “constituency” for reform. It expands opportunities for citizens to participate in improving governance, livelihoods and quality of life, thereby creating ownership of reform efforts. USAID-supported activities that met with little success in the past, such as electoral reform throughout the region and fiscal reform and privatization in Turkmenistan and Uzbekistan, were eliminated.

This R4 is a transition document between an old and a new strategy. Throughout the Results Review presentation for each country we report on our degree of success towards the old strategic objectives. The Resource Request and discussion on prospects, however, relates to the new strategic objectives. The performance tables relate to the new Performance Monitoring Plan of the mission.

### **Summary of Progress in Implementing the New Strategy**

The new strategy has four primary strategic objectives which cover all five countries: 1) Improved Environment for the Growth of Small and Medium Enterprises; 2) Strengthened Democratic Culture among Citizens and Target Institutions; 3) Improved Management of Critical Natural Resources, including Energy; and 4) Increased Utilization of Primary Quality Health Care for Select Populations. Two additional objectives are for only Kazakhstan and Kyrgyzstan, due to their greater commitment to economic and political reform: 1) Increased Soundness of Tax and Budget Policies and Administration; and 2) More Effective, Responsive and Accountable Local Governance. The equally important cross-cutting objectives – anti-corruption, gender issues, conflict prevention, and information, education – as well as the Bureau’s objective of sustainable partnerships are contained within these strategic objectives.

Experience in implementing activities over the past year has demonstrated the soundness of the new directions.

While the region has generally become more authoritarian and only three of the five countries are committed to economic reforms, we are seeing notable results in the new strategy. Recognizing that more responsive financial systems are needed for enterprise growth, USAID promoted a number of improvements to banks and other financial institutions. In Kazakhstan, the implementation of a deposit insurance program led to a 69% growth in total deposits in 2000 and a 17% increase in individual deposits. Equities traded on the Kazakhstan Stock Exchange increased by 350%. As a result of USAID assistance, Kyrgyzstan's government passed a decree requiring full compliance with international accounting standards, as well as another law that decreased by 65% the number of licenses required by businesses, thus, diminishing opportunities for corruption. At the local level, the financially sustainable micro-credit activities in Kazakhstan and Kyrgyzstan have reached nearly 30,000 clients, over 75% of whom are female entrepreneurs. Efforts to help Kazakhstan and Kyrgyzstan improve tax and budget policy and administration also met with success. For the year 2000, the budget deficit as a percentage of GDP for Kazakhstan was 0.7%, well below the target of 3.5%. The budget deficit as a percentage of GDP for Kyrgyzstan was 1%, well below the target of 2.5%. Although the deficit and level of external debt remain perilous, USAID's initiatives in business training and economics and business education are off to a fast start due to popular interest.

Movement toward democratic reform in the region remains halting. Lack of commitment to electoral reform, amply demonstrated by bogus elections in Kyrgyzstan and Uzbekistan, validated the decision to terminate further assistance to governments' electoral reform. Support for independent media has met with mixed results, although independent stations continue to operate. Efforts to strengthen citizen participation and information sharing through NGOs, however, are meeting with demonstrable success. NGOs are increasingly involved in advocacy on a wide range of issues. In Kazakhstan, NGOs that initiated an independent monitoring effort of parliamentary elections last year continue to operate and have organized around advocacy issues such as local government reform. A confederation of NGOs was formed with a potential role in advocating for the NGO sector as a whole. In Kyrgyzstan, a coalition of NGOs forged a countrywide election monitoring campaign that brought significant attention to flaws during the parliamentary elections. In Tajikistan, USAID grantees directly participated in drafting an NGO law. If approved, the law will be one of the most advanced legal frameworks for NGOs in the region. Even in Uzbekistan and Turkmenistan NGOs have remained viable, and are building relationships with community organizations and local government. Many of them are led by women and support programs that target women and their needs. In Turkmenistan, where NGO development has proven most difficult, citizen's organizations working on non-political community issues appear to enjoy the most success. As an example, work with community water user groups in the province of Dashoguz was expanded over the past year to 37 community water facilities, thus ensuring that 7,739 people regularly receive clean water.

We are by and large achieving good results in health. Primary health care practice (PHCP) models that improve both the quality and cost-effectiveness of health care have expanded in Kyrgyzstan, Kazakhstan and Uzbekistan. Over 50% of the population in Kyrgyzstan are now served by PHCPs. In Kazakhstan and Uzbekistan PHCP pilot programs reach smaller segments

of the population. Nevertheless, USAID's collaboration with the World Bank in Kazakhstan has led to replication of these pilots in other areas. In the recent Demographic Health Survey (DHS) in Kazakhstan, 37% of the women surveyed reported PHCPs as their main source of health care. World Bank-USAID collaboration in Uzbekistan has begun to expand primary health care models beyond the three USAID-supported rayons in the Ferghana Valley. USAID's TB control efforts have begun to produce improvements in the detection and control of this disease. In Kazakhstan, where USAID has been focusing its efforts, the mortality rate from TB has decreased by 20% between 1998 and 1999. In Kyrgyzstan, the mortality rate has stabilized (13.5 to 13.6 per 100,000 between 1998 and 1999). Nevertheless, the incidence rate for TB is still 141 per 100,000 in Kazakhstan, and 114.4 in Kyrgyzstan, compared to 6 per 100,000 in the U.S. This official data do not include TB in prisons, where male prisoners have a high incidence of the disease. Such additional statistics would increase significantly the figures. Clearly, much work remains to be done to control this global threat. We are now focusing more resources on increasing public information and education in primary health care in general, and TB and HIV/AIDS in particular.

Since this is a year of major transition for USAID's strategy in energy and environment, results are mixed. We have shifted emphasis from policy and regulatory frameworks for energy and water management to the demonstration of new policies, regulations, and practices. In past years, Turkmenistan and Kazakhstan developed regulatory frameworks for their oil and gas sectors; in 2000, work began on pilots to demonstrate the new policies. For example, a management model to reduce water loss in a district irrigation system in the Ferghana Valley (Kyrgyzstan and Uzbekistan) has been completed. Cooperative arrangements are being concluded with the oil industry and local governments for an oil field cleanup model along the shores of the Caspian Sea. A small heating efficiency pilot in Kazakhstan is under consideration. More emphasis is being placed on public involvement through public education and improved information exchange among all the countries. Energy officials and citizens groups in Kazakhstan and Kyrgyzstan are learning how to participate in public hearings and regulatory authorities have held public hearings in these countries on tariff issues.

While not a developmental "result" per se, sustainable partnerships are an important objective. Most significant have been intra-regional partnerships among NGOs through Counterpart Consortium. Partnerships are being formed between several Central Asian and international finance and business associations. ACDI/VOCA and FINCA are building savings and loan networks. A crucial partnership is membership in the WTO, to which Kyrgyzstan acceded and Kazakhstan is preparing. We are striving to integrate USEA, ABA/CEELI, NDI, and AIHA partnerships within our strategic framework and with our other partners' to build sustainability. Bilateral and regional partnerships are building between government agencies through CDC, NOAA, and Israel's MASHAV. Transparency International and Citizens' Democracy Corps promise new partnerships.

### **Factors That Have Influenced Progress**

The major factor that determines the success of USAID's activities in the region continues to be the commitment of host governments, private sectors, and citizens to reform. For example, in Kazakhstan and Kyrgyzstan, the two countries that have demonstrated the most commitment, we

have achieved positive results in finance and civil society activities. Meanwhile, in Turkmenistan and Uzbekistan, where there is very little commitment to reform, assistance has not had similar achievements. Therefore, we have limited our activities to those areas, particularly at local levels, where we can affect change.

The restriction on currency convertibility threatens planned micro-credit activities, both in Turkmenistan and Uzbekistan. As part of the new strategy, we had hoped to begin working at the local level with direct assistance to small-scale entrepreneurs. If the impact of this factor cannot be addressed satisfactorily this year, we will reconsider support to such a program.

Corruption endangers both economic and political development in Central Asia. Corruption makes these countries vulnerable to narcotics and arms trafficking, radicalism, and organized crime. USAID's new strategy seeks to promote greater transparency in all sectors. For example, more transparent drug procurement is being implemented in Kazakhstan. In Kazakhstan and Kyrgyzstan, transparency of banking operations is being promoted through work in bank supervision. In Kyrgyzstan, the state energy agency held the country's first energy utility public hearing to review new natural gas and electricity tariffs and to receive input from the public. We expect NGOs to play a greater role in this effort.

Increased poverty and limited economic options also influence progress throughout the region. This is particularly true in Kyrgyzstan, a country that has achieved notable economic reform. Unfortunately, due to nagging poverty, limited access to trade routes, and a heavy burden of external debt, the viability of the banking sector, the commitment to economic reforms, and the future of a new World Bank loan for the health sector is threatened. The possibility of a more widespread economic malaise, however, could be a threat to all countries in the region.

While poverty is a humanitarian issue in Tajikistan, security remains the primary factor. USAID's efforts have been constrained by travel limitations on USDH and contractor employees. Until recently, USAID efforts focussed on humanitarian relief, community reconciliation and political and legal process. Now that Tajikistan's new coalition government appears to be holding together and the security situation improved, we are starting a broader range of reforms across the four sectors in the new strategy for which the government expresses strong interest and commitment. However, strict limitations on travel regularly imposed by the Department of State, handicap our ability to respond.

### **Prospects for Progress through 2003**

In Kazakhstan and Kyrgyzstan, we anticipate continued progress on a broad range of reforms and plan to continue substantial support for all six strategic objectives. The effects of entrenched corruption throughout the region, Kazakhstan's relative prosperity but lack of progress on decentralization, and Kyrgyzstan's poverty, weak government and debt situation may force modifications in S.O.s and need to be reassessed continually. Prospects for progress in Tajikistan are also good, assuming the political situation remains stable and a modicum of travel is possible. The Government of Tajikistan is open to reforms and interested in replication of USAID activities from other countries. In Uzbekistan and Turkmenistan prospects are limited to local and grassroots activities. In these countries, we will focus on health – particularly disease

control, water and energy management, small enterprise, economic and business education, training exchanges and skills development, and NGO/community development. If the political will for reform develops in either of these countries, USAID will modify its activities to meet changing conditions.

As we committed in the strategy, we will increase efforts in anti-corruption, gender issues, conflict prevention and education and knowledge, especially for youth. We will support independent sources of information, such as resource centers libraries, and media, to educate on anti-corruption, economics and business, democracy, and health. Students in Kazakhstan will learn democratic principles through civic education programs.

Efforts to reduce the potential for conflict in the region will continue in improved regional water management. In the volatile Ferghana Valley, we will launch an initiative to prevent conflicts through job creation, business, health, and civil society development, and regional water management. The Atyrau Regional Initiative will be fully institutionalized.

Across the portfolio, we will link macro-level policy reforms with on-the-ground demonstrations that show that change can directly benefit individuals.

We predict that performance will continue to be somewhat uneven across sectors and that emphasis will also have to be placed on consolidating and sustaining hard-won gains, especially in the area of civil society.

## R4 Part II: Results Review By SO

**Country/Organization:** Kazakhstan - USAID/CAR

**Strategic Objective Name:** 1.3, An Improved Environment for the Growth of Small and Medium Enterprises

**Strategic Objective ID:** 115-0130

**Self Assessment:** Exceeding expectations

### Summary:

Link to Strategic Agency Framework:

1.1 Private Markets (60%)  
2.1 Rule of Law/Human Rights (10%)  
3.1 Access to Education (10%)  
3.2 Higher Education & Sustainable  
Development (20%)

Link to MPP Goals:

Regional Stability  
Economic Development  
Open Markets  
U.S. Exports

In 2000, USAID and the Government of Kazakhstan made great strides toward achieving this strategic objective. The goal of this new SO is to stimulate growth of the SME sector by improving the business environment through these three intermediate results: 1) increased opportunity to acquire business information, knowledge, and skills; 2) more responsive financial institutions, instruments, and markets; and 3) increased implementation of laws and regulations.

In this new SO, USAID's customer focus is new job creation, economic growth, greater participation, and improved quality of life for the citizens of Kazakhstan. Further, by building a constituency for reform, creating employment, and expanding economic opportunities, such a program can mitigate political and economic crises in some of the key parts of the region, such as the Caspian Littoral.

This is the first year we report under the new performance monitoring plan (PMP), which contains new indicators. Accordingly, the baseline information for the performance data tables will be provided for these new indicators. However, the performance indicators contained in the previous PMP will serve as the basis for this year's R4 narrative reporting. Under the previous indicators, we exceeded expectations.

### Key Results:

The GOK continued to outpace the rest of the Central Asian Republics, in part due to its strong commitment to economic reform. In fact, relative to past years, the results achieved in 2000 represent the most marked success in the SO.

With significant assistance from USAID, Kazakhstan's banking sector saw the percentage of private sector deposits as a share of GDP advance from 9% in 1999 to over 12%. Meanwhile, total assets in the banking industry increased by 46% in 2000. Kazakhstan's banking sector benefited greatly from USAID assistance on deposit insurance. USAID advisors also focused on providing the National Bank with the authority to exercise effective, consolidated supervision of financial industrial groups and other cross-border banking operations.

The private pension system also showed excellent results, as assets grew by 75% during 2000. Meanwhile the first corporate bonds in the history of Kazakhstan were issued with USAID assistance in early 2000. The corporate fixed income market in Kazakhstan has now become a viable and functioning market, with \$126 million in new issues. In addition, there was a 350% increase in equities traded on the Kazakhstan Stock Exchange.

In January 2000, the Kazakhstan Community Loan Fund (KCLF) received a license to open a branch office in Shymkent. Since then, that office has disbursed over 600 loans, with an average loan size of \$182. Of the more than 600 loan recipients in Shymkent, 82% were female. CAAEF has also continued its support of micro-credit activities by lending \$400,000 in support of Mercy Corps' micro-lending activity, while the Eurasia Foundation provided \$150,000 in loan capital to KCLF.

The impacts of USAID's training initiatives were numerous. In fact, 204% of our accounting training benchmarks were achieved; the vast majority of accountants who received training are females, who are seeking to raise their level of professional expertise. Additionally, USAID helped the Kazakhstan Association of Accountants and Auditors to complete certification as a chartered member of the International Federation of Accountants (a first in the NIS). In Atyrau specifically, over 100 local professionals now function more effectively as enterprise accountants, tax inspectors, and accounting educators as a result of USAID training.

USAID trade and investment advisors helped publish a ten-volume assessment of "Rights in Small Business," thereby enabling small-scale entrepreneurs to become more productive. We also played a direct role in the scheduling of Kazakhstan's 4<sup>th</sup> WTO Working Party meeting (accession negotiations) in Geneva. More broadly, the office of the U.S. ambassador was instrumental in moving policy dialog in this area and in leading the coordination with USTR. Meanwhile, the use of pre-arrival customs declarations jumped by more than 400%, a major achievement.

### **Performance and Prospects:**

Success in 2000 was substantial. Many critical reforms were adopted, and USAID achieved impressive results, exceeding those of prior years. Kazakhstan again proved itself to be the leading reformer in the region.

As part of our expansion into SME training and education initiatives, the new Regional Economics and Business Education activity will provide increased opportunities for access to business and economic information. Currently, business and economics curricula in Kazakhstani universities have little in common with those in the West.

Our newly implemented SME training activity will also offer those involved in private enterprise basic business short courses, as well as introductions to business associations and advocacy groups.

USAID's support of Kazakhstan's private accumulation pension system has been critical to its continued rapid development during 2000. However, the pension system continues to require further development. The two main objectives for 2001 will be to establish an effective regulatory body and to assist in the privatization or liquidation of the State Accumulation Pension Fund.

In 2001, USAID will help to develop new investment grade instruments and will facilitate the issuance of longer-maturity bonds, introduce credit enhancement techniques and improve bond indentures. In addition, USAID will assist in upgrading the legal and regulatory environment for the insurance industry and will provide technical, advisory, and training assistance to banks and non-bank financial institutions willing to start mortgage lending operations. Similarly, USAID will also continue to identify and remove investment constraints that limit the growth of SMEs.

Additionally, USAID will continue to support Kazakhstan's accession to the WTO and modernization of the customs regime. In support of customs reform, we will continue to work closely with the U.S. Foreign Commercial Service in the context of the Working Group with the American Chamber of Commerce.

In the event that this strategic objective is not fully funded, we plan to scale back the Regional Business Economics Education Activity and/or the SME Training Activity.

**Possible Adjustments to Plans:**

In order to manage for results, USAID will begin a new trade and investment activity that streamlines three activities into one: legal and regulatory, removing investment constraints, and trade and investment.

**Other Donor Programs:**

The IBRD has now assumed the primary role of supporting the government's Legal Reform Program in commercial law drafting and judicial reform. The IBRD, EBRD, UNDP, Soros, EU/TACIS, and the German and Israeli governments promote the development of SMEs. An IBRD project on enterprise support is now being developed, and the EU is developing a new industrial restructuring activity.

**Major Contractors and Grantees:**

The Pragma Corporation implements the SME training activity. The Services Group has begun implementing the removal of investment constraints activity. Booz-Allen & Hamilton is responsible for delivering WTO and customs assistance. Barents Group is implementing the banking supervision activity. The Academy for Educational Development provides training for counterparts, and the Eurasia Foundation provides small grants. CAAEF and PVOs such as CDC, IESC, and ACDI/VOCA provide financial and technical assistance, respectively. The Kazakhstan-Arizona Partnership helped build private sector advocacy capability.

**Performance Data Table**

Objective Name: Improved Environment for the Growth of Small and Medium Enterprises			
Objective ID: 115-0130			
Approved: 2000-06-01		Country/Organization: Kazakhstan – USAID/CAR	
Result Name: SO 1.3 Improved Environment for the Growth of Small and Medium Enterprises			
Indicator: A Business Environment Index			
Source: Independent Survey of the Improved Business Environment in Kazakhstan Unit of Measure: Percent Indicator/Description: TBD  Comments: This indicator was developed in response to the new mission strategy. An annual survey will serve as the basis for a business environment index that measures 1) increased opportunity to acquire business information, knowledge and skills; 2) more responsive financial institutions, instruments and markets; and 3) increased implementation of laws and regulations. The results of the first survey have been received by the SO Team, and are currently being reviewed.	Year	Planned	Actual
	(Base)2000		TBD
	2001	TBD	
	2002	TBD	
	2003	TBD	
	2004	TBD	
	2005	TBD	
	(Final) 2005	TBD	

**Performance Data Table**

Objective Name: Improved Environment for the Growth of Small and Medium Enterprises			
Objective ID: 115-0130			
Approved: 2000-06-01		Country/Organization: Kazakhstan – USAID/CAR	
Result Name: IR 1.3.1 -Increased access to business information, knowledge and skills			
Indicator: A business education environment index			
Source: USAID SME Training Project Matrix for Kazakhstan	Year	Planned	Actual
Unit of Measure: Percent	(Base)2000		0%
Indicator/Description: Total number of benchmarks achieved as a percent of total number of benchmarks.  Comments: In May 2000, USAID/CAR adopted a new strategy and, in September 2000 launched new activities related to IR 1.3.1. The indicator for this IR is an index based on the business education matrix that outlines the steps necessary to create increased access to business information, knowledge and skills. Because this activity is new, no Actual Score exists.  The SO Team designed a matrix that consists of numerous "bricks", each representing a benchmark. At the end of the period, the SO Team reviews reports to determine how many of these benchmarks were achieved. After analysis of the data related to each brick, a score from 0-4 is assessed to each brick, based on the degree of reform. An aggregate score is then tallied for the entire chart and the achieved percentage is calculated. The yearly percentage is compared to the yearly target to determine the project's progress.  Working with the SO Team, a contractor performed an initial data quality assessment in August 2000 by assessing the quality of this indicator against Agency quality standards for performance indicators. It was determined that the performance indicators, and data sources for this SO are widely accepted throughout the economic sector as reliable, accurate measurement tools for financial sector reform. In addition, the high degree of information sharing and accepted standards for data sources give the SO Team a reliable, practical pool of information that leaves little room for subjective interpretation.  Therefore, after the implementing partner collects data from host government publications available to the general public and from various IFI assessments of the financial sector, the SO Team reviews the data. The SO Team then uses independent assessments to cross-reference material provided by the implementing partner. In addition, the high degree of information sharing and accepted standards for data sources give the SO Team a reliable, practical pool of information that leaves little room for subjective interpretation.	2001	22%	
	2002	41%	
	2003	61%	
	2004	80%	
	2005	100%	
	(Final) 2005	100%	

## Performance Data Table

Objective Name: Improved Environment for the Growth of Small and Medium Enterprises			
Objective ID: 115-0130			
Approved: 2000-06-01		Country/Organization: Kazakhstan – USAID/CAR	
Result Name: IR 1.3.2 More responsive financial institutions, instruments and markets			
Indicator: A Viable Financial Markets Index			
Source: Financial Sector Matrices		Year	Planned
Unit of Measure: Percent		(Base)2000	Actual
Indicator/Description: Total number of benchmarks achieved as a percent of total number of benchmarks.		2001	36.2%
<p>Comments: In May 2000, USAID/CAR adopted a new strategy and, in September 2000 launched new activities related to IR 1.3.2. The indicator for this IR is an index based on several comprehensive matrices that outline the steps necessary to create a more responsive financial institutions, instruments, and markets.</p> <p>The SO Team designed several matrices that consist of numerous "bricks", each representing a benchmark. At the end of the period, the SO Team reviews reports to determine how many of these benchmarks were achieved. After analysis of the data related to each brick, a score from 0-4 is assessed to each brick, based on the degree of reform. An aggregate score is then tallied for the entire chart and the achieved percentage is calculated. The yearly percentage is compared to the yearly target to determine the project's progress.</p> <p>Working with the SO Team, a contractor performed an initial data quality assessment in August 2000 by assessing the quality of this indicator against Agency quality standards for performance indicators. It was determined that the performance indicators, and data sources for this SO are widely accepted throughout the economic sector as reliable, accurate measurement tools for financial sector reform. In addition, the high degree of information sharing and accepted standards for data sources give the SO Team a reliable, practical pool of information that leaves little room for subjective interpretation.</p> <p>Therefore, after the implementing partner collects data from host government publications available to the general public and from various IFI assessments of the financial sector, the SO Team reviews the data. The SO Team then uses independent assessments to cross-reference material provided by the implementing partner. In addition, the high degree of information sharing and accepted standards for data sources give the SO Team a reliable, practical pool of information that leaves little room for subjective interpretation.</p>		2002	51.9%
		2003	67.6%
		2004	83.8%
		2005	100%
		(Final) 2005	100%

**Performance Data Table**

Objective Name: Improved Environment for the Growth of Small and Medium Enterprises			
Objective ID: 115-0130			
Approved: 2000-06-01		Country/Organization: Kazakhstan – USAID/CAR	
Result Name: IR 1.3.3 Increased implementation of laws and regulations			
Indicator: Percent of Legal and Regulatory Benchmarks Achieved			
Source: USAID Commercial Law Matrix for Kazakhstan	Year	Planned	Actual
Unit of Measure: Percent	(Base)2000		85.3%
Indicator/Description: Total number of benchmarks achieved as a percent of total benchmarks.  Comments: In May 2000, USAID/CAR adopted a new strategy. As a result, the new indicator for this IR was designed as an index based on a comprehensive matrix that outlines the steps necessary to achieve an improved legal and regulatory environment.  The SO Team designed a matrix that consists of numerous "bricks", each representing a benchmark. At the end of the period, the SO Team reviews reports to determine how many of these benchmarks were achieved. After analysis of the data related to each brick, a score from 0-3 is assessed to each brick, based on the degree of reform. An aggregate score is then tallied for the entire chart and the achieved percentage is calculated. The yearly percentage is compared to the yearly target to determine the project's progress.  Working with the SO Team, a contractor performed an initial data quality assessment in August 2000 by assessing the quality of this indicator against Agency quality standards for performance indicators. It was determined that the performance indicators, and data sources for this SO are widely accepted throughout the economic sector as reliable, accurate measurement tools for reform. In addition, the high degree of information sharing and accepted standards for data sources give the SO Team a reliable, practical pool of information that leaves little room for subjective interpretation.  Therefore, after the implementing partner collects data from host government publications available to the general public and from various IFI assessments of legal reform, the SO Team reviews the data. The SO Team then uses independent assessments to cross-reference material provided by the implementing partner. In addition, the high degree of information sharing and accepted standards for data sources give the SO Team a reliable, practical pool of information that leaves little room for subjective interpretation.	2001	88.4%	
	2002	91.3%	
	2003	95.2%	
	2004	97.1%	
	2005	100%	
	(Final) 2005	100%	

## R4 Part II: Results Review by SO

**Country/Organization:** Kazakhstan - USAID/CAR

**Strategic Objective Name:** 2.1, Strengthened Democratic Culture among Citizens and Target Institutions

**Strategic Objective ID:** 115-0210

**Self Assessment:** Meeting expectations

Summary:

Link to Strategic Agency Framework: 2.1 Rule of Law/Human Rights (20%)  
2.2 Credible Political Processes (20%)  
2.3 Politically Active Civil Society (60%)

Link to MPP Goals: Democracy  
Regional Stability

Overall, the results for this strategic objective have been mixed. Progress in areas such as advocacy was tempered with government pressure in other spheres, such as independent media. The establishment of democracy in Kazakhstan requires, first and foremost, increasing awareness of and demand for democratic change by fostering political will and commitment to reform among both citizens and governing elites. Three intermediate results (IRs) are necessary for "strengthened democratic culture among citizens and targeted institutions." These intermediate results are: 1) stronger and more sustainable civic organizations; 2) increased availability of information on civic rights and domestic public issues; and 3) enhanced opportunities for citizen participation in governance. These three IRs serve to foster attitudinal change about what constitutes a democratic polity and how citizens and targeted institutions can together bring about democratic reforms. The immediate beneficiaries of our assistance include NGO activists, civic teachers, journalists, law students, and youth, more generally.

### Key Results:

With the help of USAID grants and training, NGOs in Kazakhstan are continuing to develop strong networks, supported through more than 30 newsletters and seven associations, and are increasingly advocating for their interests. A new coalition of NGOs has formed to facilitate dialogue between the government and the NGO sector. With over 97 member organizations, as well as the support of the United Way and the U.S. embassy's Democracy Commission, this coalition has already scored some early successes. They held meetings with parliamentarians and Ministry of State Revenue officials to discuss the draft Tax Code. Government acceptance of citizen and NGO participation in decision-making was evident in this process. Early drafts of the tax code contained many elements that NGO experts considered a colossal step backwards for the NGO sector. The energetic participation of NGOs, however, resulted in several material changes to the code, thus ameliorating some of its more egregious articles. Cooperation with USAID's fiscal reform project also aided in this effort.

A USAID-supported national advocacy campaign collected over 80,000 petitions from Kazakhstani citizens in support of local government reform and publicly delivered them to the parliament in Astana. This high-profile grassroots campaign, also supported by the Eurasia Foundation, resulted in 62 one-on-one meetings with parliamentarians, the formation of a multi-party, multi-NGO working group on local self-government legislation, and the parliament's decision to publicize the draft laws. Although the law on local self-government has been criticized, the process of mobilizing citizens to force transparency on parliamentary deliberations represents a milestone in efforts to involve communities in the legislative process. Following training by USAID, the parliament conducted public hearings on tariff policy and involved the Kazakhstan Energy Association. This NGO was then included in the working group created to study the methodology for setting electricity tariffs.

Three civil-society support centers, funded by USAID, have opened and are fully functioning. Sites and partner NGOs for an additional three have been identified. These centers are managed and operated by indigenous NGOs, and provide local NGOs and other stakeholders with access to a comprehensive range of support services, including but not limited to training, internet access, grants, and technical support. The centers provide a crucial foundation for the future sustainability of Kazakhstan's NGO sector.

Consistent with a new emphasis on promoting democratic ideals among younger generations, USAID continues to support civic education in Kazakhstan. A USAID-supported civic education curriculum and textbook has been adopted by the Kazakhstani Ministry of Education and approved for use in approximately 600 profile schools in all regions of the country. The new methodologies and content of this curriculum are effective in promoting ideas related to civil society, rule of law, elections, and the role of the state in democracies among youth.

Over the past year the government held three tenders for electronic frequency licenses (as opposed to zero in 1999). Twelve independent television stations received licenses. The USAID-supported journalist's rights advocacy organization, Adil Soz ("True Word") has expanded its successful media monitoring activities to include active advocacy and legal services provision for journalists. Media assistance is closely coordinated with the Public Diplomacy Section of the U.S. embassy, which also assists independent media.

USAID assistance has helped to usher in important gender-related changes in the Kazakhstani legal environment. USAID worked to reform Kazakhstan's criminal code by successfully lobbying for the removal of the "private prosecution" of rape cases under the criminal code. Previously, it had been incumbent upon victims to take the lead in investigating rape cases and bringing them to court. Also, the Women's Bar Association established an office in Almaty to provide assistance to its members.

### **Performance and Prospects:**

While the overall political climate in Kazakhstan shows signs of backsliding in some areas, such as religious and media freedom, the space for citizen participation and widening the role of NGOs in public life have expanded somewhat. Indeed, draft laws proposed by the Government of Kazakhstan regularly give NGOs the opportunity to demonstrate their vigilance and activism. The latest such example is the draft Media Law. The proposed changes would mandate

registration of internet sites and call in to questions the ability of independent media outlets to survive, and thus could be a serious blow to press freedom in Kazakhstan. Local NGOs, such as the journalist's rights advocacy organization, Adil Soz, as well as international actors, such as the OSCE and the U.S. embassy, have responded with an active lobbying campaign in an attempt to blunt or reverse the proposed changes. Overall, media independence has come under pressure from the government, as the authorities deploy direct legal and indirect financial means to concentrate control over, or outright ownership of major media. Some editors and journalists have lost jobs and civil cases have been brought against others. Several independent newspapers have suffered intermittent operations and closures as a result of this pressure. Despite government pressure, independent media outlets succeeded in expanding their reach this year. Channel 31, an Almaty-based independent television station, has expanded to republic-wide coverage. At least two new analytical newspapers and one new analytical television news program have appeared.

As part of a more grassroots approach, we will be establishing a presence in the northeastern city of Oskemen (Ust-Kamenogorsk). Efforts will include development of a lawyers association, a law students association, a legal information center, and a civil society resource center.

**Possible Adjustments to Plans:**

The strategy, as adopted, is being implemented. To this end, USAID will look to develop new, innovative information campaigns to educate and engage citizens in community-identified priority issues such as drug trafficking, alcohol abuse and family rights.

**Other Donor Programs:**

The UNDP's NGO resource center is fully functional and has been active in both facilitating contacts between donors, NGOs and each other, and in lobbying for an improved legal climate for NGOs in Kazakhstan. The UNDP is working with the USAID-supported parliamentary drafting center, although it has failed to deliver promised funding and equipment. The OSCE works with NGOs on various issues that promote democratic reform.

**Major Contractors and Grantees:**

The American Bar Association (ABA/CEELI), Internews, the National Democratic Institute (NDI), and the International Foundation for Electoral Systems (IFES) play an active role in promoting democracy in Kazakhstan. USAID funds the Soros Foundation's education reform programs, as well as Eurasia Foundation's small grant programs. Counterpart International and the International Center for Not-for-Profit Law assist local NGOs with technical assistance and sub-grants. The Initiative for Social Action and Renewal in Eurasia (ISAR) promotes Kazakhstani environmental NGOs, as well as cross-border ties among NGOs. The Academy for Educational Development (AED) coordinates participant training.

The Public Diplomacy Section of the embassy provides USAID the opportunity to nominate participants for their International Visitors program. USAID participates in the embassy's Democracy Commission Small Grants program.

### Performance Data Table

Objective Name: Strengthened democratic culture among citizens and targeted institutions				
Objective ID: 115-0210				
Approved: 2000-05-01		Country/Organization: Kazakhstan – USAID/CAR		
Result Name: SO 2.1: Strengthened democratic culture among citizens and targeted institutions				
Indicator: SO 2.1: Percentage of targeted population exhibiting civic consciousness and activism				
Source: Public opinion poll		Year	Planned	Actual
Unit of Measure: percent		(Base) 2000		39.7%*
Indicator/Description: A list of basic information questions are included in a survey to determine what percentage of targeted population exhibits increased civic consciousness and activism (as defined by percentage of citizens with civic knowledge and skills, exhibiting democratic values, and participating in political activities). Questionnaire responses are defined as positive or negative by the SO team. The mean percentage is calculated for all positive responses.  Targeted population is defined as youth between 18 and 35 years old. Data is also disaggregated by gender.		2001	41%	
		2002	43%	
		2003	45%	
		2004	46%	
		(Final) 2005	48%	
Comments:				
* The actual data shown is for the targeted population (youth between 18-35 years old). The result for whole population in 2000 was 38.7%, which is lower than that for the targeted group. The result for women was 38%.				

### Performance Data Table

Objective Name: Strengthened democratic culture among citizens and target institutions				
Objective ID: 115-0210				
Approved: 2000-05-01		Country/Organization: Kazakhstan – USAID/CAR		
Result Name: IR 2.1.1: Stronger and more sustainable civic organizations				
Indicator: IR 2.1.1: Stronger and more sustainable civic organizations				
Source: NGO Sustainability Index		Year	Planned	Actual
Unit of Measure: Index Score		(Base) 1999		4.8
Indicator/Description: The democracy roundtable uses the E&E NGO Sustainability Index to assess the sustainability of the NGO sector. Roundtables consist of crosscutting focus groups of approximately 10 participants (5 donors and 5 NGOs). A seven-point scale is used (7 is worst and 1 is best).		2000	NA*	4.93
		2001	4.82	
		2002	4.73	
		2003	4.63	
		2004	4.53	
		(Final) 2005	4.43	
Comments:				
<p>The reported score reflects an average across seven categories – legal environment, organizational capacity, financial viability, advocacy, service provision, infrastructure, and public image. On a scale of one to seven, one is an optimal score.</p> <p>The NGO Sustainability Index score for Kazakhstan increased (that is, worsened) slightly from 1999 to 2000 by 0.09 points. Concealed within this overall drop, however, was significant (0.5 points or higher) progress in the category scores for legal environment and infrastructure. Progress in these categories can at least partially be attributed to USAID-funded efforts to establish and localize a network of Civil Society Support Centers (CSSCs), and to USAID grantee ICNL’s work with the government and parliament to create a more benign legislative environment.</p> <p>*Changes by E&amp;E in the Index methodology from 1999 to 2000 required a reassessment of target values. Therefore, current targets are projected beginning only from 2000 onwards.</p>				

### Performance Data Table

Objective Name: Strengthened democratic culture among citizens and target institutions				
Objective ID: 115-0210				
Approved: 2000-05-01		Country/Organization: Kazakhstan – USAID/CAR		
Result Name: IR 2.1.2: Increased availability of information on civic rights and domestic public issues				
Indicator: LLR 2.1.2.2A: Technical quality of local non-governmental broadcast news on targeted stations				
Source: Internews		Year	Planned	Actual
Unit of Measure: Number		(Base) 1997		5.8
Indicator/Description: Number of points scored on a 20 point scale below, as evaluated by Internews, from a sample of non-governmental broadcast outlets, selected by Internews.		1998	10	6.7
		1999	10	9.4
		2000	12	18.7
		2001	14	
		2002	15	
		2003	17	
		2004	18	
Comments: USAID/CAR presents in this table data from a proxy indicator on the quality of news in Kazakhstan. In future R4s, the Mission intends to substitute this proxy indicator with the Media Sustainability Index (MSI), a tool that would evaluate several key aspects of a media system (e.g., legal protections; regulation; quality of journalism; plurality of information sources, etc.). E&E/DGSR has not yet completed the index. The completion date for the MSI is not yet known; until such time, USAID/CAR will use this LLR 2.1.2.2A indicator.		(Final) 2005	20	
<p>Technical Quality of News</p> <p>1 use a tripod to shoot</p> <p>2 little or no zooms, panoramas; good framing, don't show microphone in picture</p> <p>3 good sound; use microphone</p> <p>4 good limited use of stand-ups</p> <p>5 always use natural noise</p> <p>6 short integrated sound bites from at least 2 interviews</p> <p>7 make video and audio correspond</p> <p>8 don't use same video twice</p> <p>9 variety of b-roll</p> <p>10 observe logical sequence in editing, lack of abrupt cuts</p> <p>11 short(1-3 mins) concentrated information</p> <p>12 little commntry, mostly facts; neutrality, several points of view</p> <p>13 information of piece, applicability to local events</p> <p>14 "freshness" of information</p> <p>15 logical beginning and end and sequencing of story</p> <p>16 originality in theme, shooting, editing, composition</p> <p>17 normal, accessible language; good diction</p> <p>18 make story personal</p> <p>19 news is predominantly not about official gov't action or crime</p> <p>20 number of min of video news on air per week</p> <p>* Targets will be revised to reflect new methodology</p>				

### Performance Data Table

Objective Name: SO 2.1 Strengthened democratic culture among citizens and target institutions				
Objective ID: 115-0210				
Approved: 2000-05-01		Country/Organization: Kazakhstan – USAID/CAR		
Result Name: IR 2.1.3: Enhanced Opportunities for Citizen Participation in Governance				
Indicator: IR 2.1.3: Scorecard of public access to meetings and records of legislative proceedings at all levels				
Source: Cross-cutting focus groups				
Unit of Measure: Percent				
<p>Indicator/Description: A scorecard will be calculated, based upon the following criteria: a) do citizens have access to records of public meetings; b) are citizens able to find out who or what group is responsible for particular areas and decisions; c) are citizens able to obtain voting records of MPs; d) are citizens granted access to meetings of the parliament; e) are citizens granted access to committee meetings; f) are committee meetings, public hearings, town hall meetings, and other forums for citizens' participation open to the independent media; g) are open committee meetings, public hearings, town hall meetings, and other forums for citizens' participation held frequently</p> <p>Each of these criteria should be scored from 0 to 5 (0 – never, 5 – always). The score is the mean for all elements converted to a percentage.</p> <p>Comments: For the most part, citizens do not have access to records of meetings in the Parliament. Legally, they are able to find out who or what group is responsible for particular areas and decisions; however, according to the panel, there is limited effort from the citizens' side to do this. Moreover, even deputies have difficulties in obtaining voting records. There have been several cases when deputies actively work with their constituencies and/or receive numerous calls on particular issues. In general, the panel felt that it is almost impossible for an ordinary citizen to have an access to meetings of the parliament. It was noted that citizens do not actively attempt to have access. In their defenses, NGO representatives noted that some NGOs do not have the funds to go to Astana and be present at meetings. At times, even deputies not on that particular committee cannot attend the committee meeting without registering first. The lack of physical space in the parliament building was cited as one of the factor limiting access to the committee meetings. Regarding press access in general, plenary and committee meetings are not always open to the press -- usually depending on deputies' willingness to be transparent on certain issues. Media is invited when deputies want to lobby a particular law. Participants also noted that the quality of journalists accredited with the Parliament remains low. At the local level, it seems easier to obtain such information from maslikhats. Since maslikhats work at the local level, meetings of maslikhat are more accessible. A few panelists scored maslikhats separately for certain aspects, noting significantly greater access at the local level. In general, citizens are not granted access to committee meetings.</p>	Year	Planned	Actual	
	(Base) 2000			42%
	2001	45%		
	2002	47%		
	2003	50%		
	2004	52%		
	(Final) 2005	55%		

**R4 Part II: Results Review by SO****Country/Organization:** Kazakhstan - USAID/CAR**Strategic Objective Name:** 3.2, Increased Utilization of Quality Primary Health Care for Select Populations**Strategic Objective ID:** 115-0320**Self Assessment:** Meeting expectations**Summary:**

Link to Strategic Agency Framework: 4.2 Infant and Child Health/Nutrition (30%)  
 4.3 Child Birth Mortality Reduced (35%)  
 4.5 Infectious Diseases Reduced (35%)

Link to MPP Goals: Humanitarian Assistance  
 Population  
 Health

USAID is helping to build an effective, affordable, and sustainable primary health care (PHC) system, that meets the health needs of families and prevents and treats infectious diseases (ID). Health professionals are being re-trained to provide quality health care by upgrading clinical and laboratory skills to better diagnose, treat and prevent illness, including infectious diseases, such as acute respiratory infections, tuberculosis (TB), HIV/AIDS and hepatitis. One of USAID's major efforts is assisting Kazakhstan to implement the World Health Organization (WHO)-recommended Directly Observed Treatment Short-course (DOTS) program to treat TB.

In 2000, USAID made good progress. This SO has four intermediate results (IRs): 1) select populations are better informed about personal health care rights and responsibilities; 2) improved quality of health care including infectious diseases and maternal and child health; 3) improved use of health care resources for primary health care; and 4) improved legislative, regulatory and policy framework. The primary beneficiaries are health professionals working in PHC and ID. The ultimate customers are users of these health services, who are predominantly women and children.

**Key Results:**

USAID has made considerable success on two key indicators. At the heart of the program are well-trained family doctors, as an alternative to a variety of unconnected specialists for each family member and each disease. According to the 1999 Demographic and Health Survey (DHS), 37% of Kazakhstani women report that a family group practice is their usual source of health care. Considering that family practices did not even exist a few years ago, and that their creation is largely due to USAID efforts, this indicates that our program is having a major impact on the shape of the health system in Kazakhstan.

The mortality rate for tuberculosis in 1999 declined by more than 20%, a remarkable achievement in the fight against a deadly and growing infectious disease. Mortality decreased

because of the government's strong support for the TB DOTS program of the WHO, which is implemented by USAID. Morbidity from TB increased in Kazakhstan in 1999. This was sad but not unexpected news, and is probably more a reflection of our efforts in developing a reliable and functional surveillance system than an actual rise in infection. Through the Centers for Disease Control and Prevention (CDC) training, a core group of ID/ epidemiology professionals titled "The Central Asian Epidemiology Network (CAR EPI NET)" was established. The main functions of CAR EPI NET are epidemiology information exchange, strengthening capacity for surveillance and outbreak investigation, as well as training of trainers.

USAID supported a DHS to provide a wealth of information about health. At a highly publicized national seminar, survey results were presented based on interviews with 4,800 women and 1,440 men. One of the most important and most controversial pieces of data was the infant mortality rate, which DHS estimates at 55/1,000, double the Agency for Health Affairs estimate. USAID hosted a second day to the national seminar to allow public health specialists, government officials, and national and international organizations to discuss the methodological and clinical issues associated with infant mortality. The agency agreed to pilot the use of the international definition in two regions of Kazakhstan. This agreement was unexpected, and welcomed by both the local doctors from the oblasts and international health organizations.

An important component of USAID's reform efforts involves allowing clients a greater measure of informed choice about their health care. Clients are able to choose their family doctor, rather than following the standard Soviet practice of assigning each person a doctor. People appreciate the measure of control it gives over a highly personal health care decision. In 2000, in several major cities -- including Semipalatinsk, Kokshetau and Pavlodar, clients were given this choice, in some cases over the objections of local health authorities, as a result of public pressure.

Another important mechanism for providing citizens in Kazakhstan with clear and objective information about health is the Reproductive Health Hotline operating in 11 major Kazakhstani cities. The hotline provides confidential and reliable information by phone to clients who call the toll-free number for advice. In 2000, the hotline was expanded to Temertau, the city in Kazakhstan with over 1,500 HIV-positive case and epidemic levels of sexually transmitted infections (STIs). Responsibility for the operation of the hotline was given to the Kazakhstan Reproductive Health Association, a non-governmental organization (NGO) that will assume ownership for the hotline and make it an integral part of its ongoing scope of work.

Information about health was improved at the national and health systems levels. In 2000, the CDC-supported electronic surveillance case management system for tuberculosis, called TBESCM, became fully operational. TBESCM will now allow TB experts and policy makers to rapidly analyze trends and patterns in the incidence of TB.

Considerable progress was made in 2000 on quality of care. Treatment guidelines and protocols in Kazakhstan in need of revision, based upon scientific evidence of effectiveness. However, modifying them requires significant support from senior medical personnel in government, training institutions and research organizations. As a result of an evidence-based medicine workshop, senior scientists will work on selected national guidelines over the next two years.

Levels of reported STIs increased in Kazakhstan a hundred-fold over the past decade. To begin to deal with this increasing and dangerous morbidity, USAID, in conjunction with WHO and UNAIDS initiated a 6-month pilot program in one region to use the WHO-developed Syndromic Management approach for diagnosing and treating STIs. Family doctors now understand this method, and assumed responsibility for a set of illnesses normally treated only by specialists. The positive results of the pilot included a 60% increase in the detection and treatment of gonorrhea. These activities to improve diagnosis and treatment of STIs are especially important for women, in whom most STIs are asymptomatic, and therefore often undetected.

USAID has made efforts to involve medical educators in the issues of health reform. Planning for the future medical workforce – its size, composition and functions- was the subject of a high-level regional meeting of rectors of medical schools. Rectors discussed the issues, facilitated by deans of medical schools and chairs of family practice programs from the U.S. The rectors formed a working group to continue to address these issues in a regional context.

#### **Performance and Prospects:**

Overall, USAID's performance was strong. USAID is planning to initiate work on TB in prisons in 2001. With support from the USAID/Global Infectious Disease team, WHO will place a regional advisor on TB in Kazakhstan.

HIV/AIDS continues to increase at a rapid rate in Kazakhstan, mostly among IV drug users, although the total number of HIV cases (1,122) remains small by international standards. The probability for expansion of the epidemic is increased by the existence of illicit drug trafficking, commercial sex work, rapidly rising rates of STIs, amid a general lack of knowledge about the virus. In 2001, with the benefit of additional funds, USAID will develop its program on HIV prevention through a behavioral risk assessment, followed by condom social marketing, a high-level regional conference, prevention interventions with high-risk groups, and much-needed information campaigns at the community level.

#### **Possible Adjustments to Plan:**

The leadership of the Agency for Health Affairs continues to change frequently. Because the current chairman does not support our TB DOTS, we may need to modify our program slightly. This may slow progress in tuberculosis control at the policy level. However, we do not anticipate that this will affect planned oblast-level implementation of TB DOTS. The U.S. ambassador, USAID, WHO, World Bank, other donors and many of our local partners are collaboratively pressing the GOK not to make seriously harmful changes to the successful TB DOTS program.

#### **Other Donor Programs:**

The World Bank has a large health sector reform loan. United Nations Population Fund (UNFPA) procures contraceptives for the public sector. DFID supports family doctor training.

#### **Major Contractors and Grantees:**

All of our regional projects are headquartered in Kazakhstan, and very active. They include Abt Associates/ZdravPlus, American International Health Alliance (AIHA), the Centers for Disease Control and Prevention (CDC), Counterpart Consortium, and Project Hope.

**Performance Data Table**

Objective Name: Increased Utilization of Quality Primary Health Care in Select Populations			
Objective ID: 115 –0320 Kaz SO 3.2 Health			
Approved: 2000-05-01		Country/Organization: Kazakhstan – USAID/CAR	
Result Name: This is an SO-level indicator.			
Indicator: % of sputum smear positive tuberculosis (TB) patients cured through Directly Observed Treatment Short-course (DOTS) approach in target areas.			
Source: Agency for Health Affairs		Year	Planned
Unit of Measure: percent		(Base) 1999	Actual
<p>Indicator/Description: Cure rate (CR, %) is the number of TB patients who are cured as a result of DOTS treatment plus patients that completed treatment divided by total number of TB smear positive patients minus number of deaths.</p> $CR = \frac{\text{Cured} + \text{Treatment Completed}}{\text{Total Smear Positive} - \text{Death Cases}} \times 100\% =$ $\frac{4,895 + 463}{6,765 - 316} = 83.1\%$ <p>DOTS is considered effective in treatment sites if at least 85% of patients are cured. (For recently established DOTS programs, it can be lower, e.g. 75%.)</p> <p>Comments: In Kazakhstan, 21 sites reported cure data. Cure can only be determined upon completion of treatment, a period lasting from 12 to 15 months. The data reported here represent the time period of January 1999 to December 1999, in which 6,765 total smear positive patients entered treatment. Of these, 4,895 were cured (patients who were became smear-negative proved by two smear analysis by the end of treatment), 463 completed treatment (clinically recovered but had only one negative smear because of various reasons, e.g. unable to produce sputum), and 316 cases of deaths (patients who died of any cause during the course of treatment).</p> <p>Note: Other treatment outcomes which are not explicitly presented in the cure rate calculation, are 585 cases of treatment failure (patients who remain or again become smear-positive at five months or later during the course of treatment), and 228 cases of interrupted treatment or defaults (patients whose treatment was interrupted for 2 months or more).</p>		2000	85%
		2001	85%
		2002	86%
		2003	87%
		(Final) 2004	87%

**Performance Data Table**

Objective Name: Increased Utilization of Quality Primary Health Care in Select Populations			
Objective ID: 115-0320 Kaz SO 3.2 Health			
Approved: 2000-05-01		Country/Organization: Kazakhstan – USAID/CAR	
Result Name: IR 3.2.4 Improved legislative and policy framework			
Indicator: Rating of overall policy reform environment in relation to key reforms at the pilot oblast and/or national level.			
Source: Panel assessment based on information from oblast health departments, oblast health financing authorities, Agency for Health Affairs/Ministries of Health  Unit of Measure: Score  Indicator/Description: A panel of USAID/CAR staff, implementers and others will conduct a policy environment review. The panel will rate overall policy reform environment by means of a 5-point Likert Scale (ranging from “no progress in a health reform area” = 1 to “sustainable reform at the national level” = 5) to score each key reform area. Key reform scores will be summed and the result divided by the number of key reform areas to produce an average score representing the policy environment.  The key reforms are: <ul style="list-style-type: none"> <li>• Primary health care (PHC) practices decree enforced</li> <li>• PHC practices enrollment system in place</li> <li>• Provider payment systems and health insurance decrees established</li> <li>• Provider management systems in place</li> <li>• Health care facility rationalization plans formulated, including work force planning</li> <li>• Clinical protocols introduced</li> <li>• Family practice/infectious disease curricula implemented</li> <li>• Health sector non-governmental organization (NGO) recommendations adopted.</li> </ul>	Year	Planned	Actual
	(Base) 1999		3
	2000	3	2.6
	2001	*	
	2002	*	
	2003	*	
	2004	*	
	(Final) 2004		
Comments: The Panel’s verbal assessment was: “Dynamic policy environment with frequent changes in leadership at the Agency for Health Affairs ”  *This will be the last year to report on this indicator, though the panel review of the policy environment will be continued, albeit in a modified form including a changed scoring approach and an expanded panel that includes government counterparts.			

### Performance Data Table

Objective Name: Increased Utilization of Quality Primary Health Care in Select Populations			
Objective ID: 115-0320 Kaz SO3.2 Health			
Approved: 2000-05-01		Country/Organization: Kazakhstan – USAID/CAR	
Result Name: LLR 3.2.1.3 Select populations are enrolled in primary health care (PHC) practices			
Indicator: % of national population enrolled in PHC practices			
Source: Enrollment data bases from health information systems and national population statistics	Year	Planned	Actual
	(Base) 2000		14%
Unit of Measure: %	2001	*	
Indicator/Description: All the people enrolled in PHC data bases in all pilot sites compared with the national population.	2002	*	
	2003	*	
Comments: The total enrolled population in PHC is 2,178,947 compared to a national population of 14,896,000. Enrolled populations reside in 2 oblasts (states), East Kazakhstan and Karaganda. Expansion efforts continue within Karaganda Oblast and are being extended to 3 additional oblasts.  Note that PHC practices exist in other regions but have not benefited from USAID-funded training and World Bank investment as the pilot sites have.  *This indicator will not be used to report results for 2001. Instead, an indicator at the strategic objective level will replace it. Baseline and targets will be established by May 2001.  The current indicator was selected for reporting because data for the SO level indicator, developed under a strategy approved six months ago, is not yet available. Further, this indicator could reasonably be expected to contribute to the accomplishment of the SO level indicator as people must first be enrolled in newly constituted PHC practices before they can utilize the health care services provided.	2004	*	
	(Final) 2004		

### Performance Data Table

Objective Name: Increased Utilization of Quality Primary Health Care in Select Populations			
Objective ID: 115-0320 Kaz SO3.2 Health			
Approved: 2000-05-01		Country/Organization: Kazakhstan – USAID/CAR	
Result Name: IR 3.2.3 Improved use of health care resources for primary health care (PHC)			
Indicator: % of total national population provided PHC under a capitated rate payment system			
Source: Oblast health finance authorities and national population statistics	Year	Planned	Actual
Unit of Measure: percent	(Base) 2000		19%
Indicator/Description: Capitated rate or per capita rate is a payment set by the government to provide a specific package of PHC services for each individual enrolled in a PHC practice. The measure is a composite also comprised of other elements including distribution of payment without chapters (i.e. no required line item amounts); weighting with sex and age adjusters (to account for differences in usage among different age and sex groups); and pooling of funds at the oblast level (which produces an amount of funding large enough to manage the risk of unusual or unexpected health costs among the covered population.)  This composite measure represents several elements of resource use in PHC: efficiency because per capita funding covers the enrolled person rather than paying for numbers of visits; flexibility because PHC practices can use their government-provided funds for the needs they deem most important; equity because women, children and the aged make more visits to PHC than young adults and men; effectiveness because pooling funds at a population level smaller than the oblast will be insufficient to manage unexpected or unusual health care costs.	2001	*	
	2002	*	
	2003	*	
	2004	*	
	(Final) 2004		
Comments: In Kazakhstan, an estimated 2,856,504 people are served by PHC practices covered by the composite indicator, per capita rate payment, compared with the national population of 14,896,000.  At present, age and sex adjusters are universally lacking, so no population is yet covered by all elements of the composite construction – per capita rate payment. As this indicator uses a composite scoring system, many more than 2,856,504 persons are served by PHC practices that have at least 3 of the components comprising the per capita rate payment indicator.  *This indicator will not be used to report results for FY01. Instead, an indicator from the new performance monitoring plan will replace it. Baseline and targets will be established by May 2001.			

## R4 Part: II Results Review by SO

**Country/Organization:** Kazakhstan - USAID/CAR

**Strategic Objective Name:** 1.6, Improved Management of Critical Natural Resources, including Energy

**Strategic Objective ID:** 115-0160

**Self Assessment:** Annual performance assessment unavailable

### Summary:

Link to Strategic Agency Framework:	5.1 Global Climate Change (5%) 5.4 Environmentally Sound Energy (40%) 5.5 Natural Resource Management (55%)
Link to MPP Goals:	Regional Stability Environment

Kazakhstan is dependent on its principal natural resources, oil, gas, and water, for its economic growth. In the past, abuse of these resources has led to disasters such as shrinking of the Aral Sea and pollution of the Caspian Sea. Activities under this strategic objective are designed to change the way these natural resources of Kazakhstan are managed. This will provide the customers, the citizens of Kazakhstan, a greater voice in decisions affecting their lives and will improve the practices and policies of natural resources managers, leading to sustainable, environmentally sound economic growth.

Under its new strategy, the mission consolidated two separate energy and environmental strategic objectives into one. To see improvements in Central Asia in the management of critical natural resources, we must see improvements at the level of our intermediate results (IRs): 1) increased management capacity in natural resources; 2) improved policy and regulatory framework for natural resources management; 3) sustainable models developed for integrated natural resources management; and 4) public commitment established for natural resources management policies.

This is a new strategic objective and many activities are just beginning. Therefore all indicators have baseline data for 2000. We are unable to provide an annual performance assessment.

### Key Results:

Although the activities of the new SO are just being launched at the time of the R4 submission, there have been several key events that contributed to our overall objective in the last year.

The petroleum sector's privatization raised some controversial regulatory issues that USAID was able to address. For instance, the government adopted some of the recommendations on excise tax reform and agency restructuring that were part of the Domestic Petroleum Products Market Study. Although there are still problems with the regulation of petroleum sector activities,

USAID has played a key role in policy development over the past several years and has forged meaningful partnerships with energy related organizations in the U.S. and Kazakhstan.

With our help, Kazakhstan adopted progressive rules and regulations that will lead to more environmentally sound petroleum drilling and pipeline transport operations. Two other laws are now before parliament on local climate change legislation. Another law would devolve authority for water resources decisions to local officials; this would be advantageous to local users from both a cost-benefit and a resource-benefit perspective. Kazakhstan has also been able to conclude annual agreements with its neighboring countries for the allocation of scarce water resources. USAID and other donors provided advisory and consultative assistance that helped make these policy actions possible.

Resource managers of the Syr Darya River, one of the two major feeders to the Aral Sea, are now using a planning tool, which USAID developed, to make decisions on the allocation and distribution of water and energy in the region. Local water resources economists and engineers are using our recommendations to better facilitate transboundary water discussions between Kazakhstan and Kyrgyzstan. This is key to reducing a potential area for regional conflict.

The Climate Change Office (CCO), established under the auspices of the U.S./Kazakh Joint Commission, is attracting potential investors in projects that will lead to lower carbon emissions. The CCO continues to provide crucial resources to Kazakhstani climate, energy and finance officials. This will better prepare them for participation in future climate change negotiations. Although Kazakhstan was unable to join Annex I of the UN Framework Convention on Climate Change this year, the government did complete all the necessary analyses, studies, and emissions inventories, and have kept them updated. The exercise also served to form valuable partnerships with, and win much goodwill from, other significant international players in this sector.

### **Performance and Prospects:**

Building on the successes of past efforts in developing policy and regulatory frameworks in transboundary water management and in the management of energy resources, USAID has planned further training that will provide 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. We are also working to reduce greenhouse gas emissions as part of a larger global climate change program.

To complement and reinforce this training, we are demonstrating the viability of the management concepts and new technologies in selected problem areas. We will build demonstration models that introduce safer, more practical ways to clean oil fields in the Caspian Sea area and to increase efficiency for heat and power systems in Atyrau. In the northern Aral Sea, we will help improve the livelihoods of those residents who were left to deal with the consequences of the notorious Aral Sea disaster. We will initiate other small-scale demonstration models in fisheries, tree planting (for commercial and non-commercial use), irrigation efficiency, and desalination that will provide an initiative for future local replication.

With the U.S. ambassador's support, USAID continues to work with the GOK to implement a comprehensive restructuring of the oil sector's regulatory agency, as per the Domestic Petroleum

Products Study. We will continue to pursue further recommendations of the study with the government as well. Implementation of these recommendations is conducive to international investments in the oil and gas sectors.

An issue that could affect performance in the water sector is a continuing drought that may raise tensions among Central Asian nations over shared water resources and make desired results more difficult to achieve for regional activities. Major new water structures being proposed by the GOK along the Syr Darya in southern Kazakhstan could aggravate its relationship with the Government of Uzbekistan. A new environment minister and rising revenues in the oil sector may better position the GOK to enforce environmental regulations.

### **Possible Adjustments to Plans:**

Although most of the activities under this SO are new, some internal assessments of ongoing activities may call for changes. This is especially true in the area of drafting regional agreements on water and energy, which have historically been difficult to achieve despite USAID and other donor assistance. The recommendations of these assessments will include suggested areas that have a greater chance of success, the level of funding needed, and which CAR regional organizations should play what role in the development of the agreements. The outcomes of these and other preliminary assessments will help us determine which activities we will curtail and which we will expand.

If full funding is not received, three critical partnerships will be jeopardized. Our prospective work with MASHAV on a project to improve the environmental and livelihood prospects for residents of the northern Aral Sea is likely to suffer. Regional decisions on water management will have to be made without the crucial data that NOAA's hydrological data system can provide to the national meteorological experts. Finally, our input to the ongoing legal and regulatory issues facing Kazakhstani energy, oil, and water resources will suffer, as the partnerships that were forged between energy associations in the U.S. and regulatory agencies in Kazakhstan will be suddenly severed.

### **Other Donor Programs:**

The Canadian International Development Agency is providing training to natural resources officials and managers, and the Swiss Government is taking part in our work with NOAA in the acquisition of hydrological data. This data is also being shared with UNDP and the World Bank. The Asian Development Bank and World Bank are also providing technical assistance on legislative and regulatory issues. There will be close coordination with the World Bank on its Northern Aral Sea Project, an infrastructure project that complements with our work with MASHAV, especially in the area of fisheries development.

### **Major Contractors and Grantees:**

PA Consulting implements the Natural Resources Management Program. Israel's Center for Cooperation (MASHAV) is carrying out the Aral Sea activities. The National Oceanographic and Atmospheric Administration (NOAA) is working with modeling systems that will help with snowmelt forecasting and data sharing. EPIC (IRG) has worked with transboundary water issues, and United States Energy Association (USEA) is building energy partnerships.

### Performance Data Table

Objective Name: 1.6 Improved Management of Critical Natural Resources, Including Energy.				
Objective ID: 115-0160 Kaz. SO 1.6 Environmental Management				
Approved: 2000-05-01		Country/Organization: Kazakhstan– USAID/CAR		
Result Name: 1.6 Improved Management of Critical Natural Resources, Including Energy.				
Indicator: The number of demonstration models that are replicated				
Source: Tracking by USAID and contractor staff		Year	Planned	Actual
Unit of Measure: Cumulative number		(Base)2000		0
Indicator/Description: " Demonstration models" refers to USAID/CAR Natural Resources Management Project pilot and illustrative model projects in target subject areas. " Replicated" refers to each time a demonstration project is copied and implemented in Kazakhstan with the assistance of local partners.		2001	0	
		2002	2	
		2003	5	
		2004	13	
		2005	15	
		(Final) 2005	15	
Comments:				
In Kazakhstan the replication of demonstration models will not start until we have some projects up and running which will come on line in 2002.				

### Performance Data Table

Objective Name: 1.6 Improved Management of Critical Natural Resources, Including Energy.				
Objective ID: 115-0160 Kaz SO 1.6 Environmental Management				
Approved: 2000-05-01		Country/Organization: Kazakhstan– USAID/CAR		
Result Name: 1.6.2 Improved policy and regulatory framework for natural resource management.				
Indicator: Number of natural resource policies within the USAID/CAR targeted reform areas that include established monitoring procedures.				
Source: Tracking by USAID and contractor staff		Year	Planned	Actual
Unit of Measure: Cumulative number		(Base)2000		0
Indicator/Description: “USAID/CAR targeted reform areas” refers to the specific topics the Mission addresses; including 1) transboundary issues; 2) market pricing and energy efficiency; and 3) waste minimization and resource conservation across all permeations of water, oil, and gas resources. “Established” refers to written procedures outlining monitoring actions.		2001	1	
		2002	1	
		2003	2	
		2004	2	
		2005	2	
		(Final) 2005	2	
Comments:				

### Performance Data Table

Objective Name: 1.6 Improved Management of Critical Natural Resources, Including Energy.				
Objective ID: 115-0160 Kaz SO 1.6 Environmental Management				
Approved: 2000-05-01		Country/Organization: Kazakhstan– USAID/CAR		
Result Name: 1.6.3 Sustainable models developed for integrated natural resources management				
Indicator: The number of demonstration models or projects completed in cooperation with other parties.				
Source: Tracking by USAID and contractor staff		Year	Planned	Actual
Unit of Measure: Cumulative number		(Base)2000		0
<p>Indicator/Description:</p> <p>“Models or Projects” refers to USAID/CAR pilot demonstration projects in water and energy.</p> <p>“Completed” refers to the successful design and build of the demonstration project or model (or a similar variant) in a targeted area.</p> <p>“Other parties” refers to local partners associated with the replicated projects, including, but not limited to, other donors, counterparts, or private sources.</p>		2001	0	
		2002	1	
		2003	5	
		2004	6	
		2005	6	
		(Final) 2005	6	
		<p>Comments:</p> <p>This indicator is the precursor to the indicator for SO1.6. This indicator depicts those models that have been developed and have partner buy-in.</p>		

### Performance Data Table

Objective Name: 1.6 Improved Management of Critical Natural Resources, Including Energy.				
Objective ID: 115-0160 Kaz SO 1.6 Environmental Management				
Approved: 2000-05-01		Country/Organization: Kazakhstan– USAID/CAR		
Result Name: 1.6.4 Public commitment established for natural resources management policies.				
Indicator: Number of activities in which people or NGOs participate in targeted USAID/CAR natural resource management issues.				
Source: Tracking by USAID and contractor staff		Year	Planned	Actual
Unit of Measure: Cumulative Number		(Base)2000		0
<p>Indicator/Description:</p> <p>“Activities” refers to any action conducted to increase awareness about any natural resource management issues.</p> <p>“NGOs” refers to any registered or non-registered non-governmental organization.</p> <p>“Advocate” refers to any action that results in a written document that results from an interested party to promote a position that is being taken by USAID on a particular natural resource management issue.</p> <p>“Targeted USAID/CAR natural resource management issues” refers to the policy positions that are being demonstrated or advocated by USAID under SO 1.6.</p>		2001	2	
		2002	4	
		2003	8	
		2004	12	
		2005	16	
		(Final) 2005	16	
<p>Comments:</p> <p>It may be difficult to completely capture all different types of possible activities in which Central Asian citizens and NGOs can participate, even within target areas. As such, the Mission is assuming that data collected will be a subset of the total number people who are advocating the policies being demonstrated.</p> <p>The Mission’s contractor, together with the implementing partner, will develop a list of possible activities commonly associated with public and NGO involvement for which they want to collect data. In this way the subset is more accurately defined and the limitations are captured, thereby increasing the transparency of the indicator.</p>				

## R4 Part II: Results Review By SO

**Country/Organization:** Kazakhstan - USAID/CAR

**Strategic Objective Name:** 1.2, Increased Soundness of Tax and Budget Policies and Administration

**Strategic Objective ID:** 115-0120

**Self Assessment:** Exceeding expectations

### Summary:

Link to Strategic Agency Framework: 1.1 Private Markets (45%)  
2.4 Accountable Government Institutions (45%)  
6.1 Impact of Crises Reduced (10%)

Link to MPP Goals: Regional Stability  
Economic Development  
U.S. Exports

In 2000, USAID and the Government of Kazakhstan made landmark progress in achieving this strategic objective, far exceeding results achieved in previous years. The goal of this SO is to increase the soundness of tax and budget policies and administration through achievement of three intermediate results: 1) improved tax code and implementation of the code, 2) improved budget development and execution, and 3) improved intergovernmental finance.

The direct beneficiaries of such improvements are the national and local government agencies in need of tax revenues and sound budget policies, as well as those parties to whom the government owes money (*i.e.*, arrears). Indirectly, the impact of improved fiscal policies on economic growth and development fosters greater economic and social stability for the people of Kazakhstan.

In this first year under the new performance monitoring plan (PMP), the previous indicators will serve as the basis for this year's R4 narrative reporting. However, the baseline information in the performance data tables will be provided based on the new indicators. Based upon the previous indicators, we exceeded expectations.

### Key Results:

Overall, our fiscal reform program in Kazakhstan produced results that equal or surpass any in our economic sector portfolio, achieving or exceeding every benchmark. By the end of 2000, tax collections jumped to 17% of GDP, 2.5 percentage points above the target of 14.5%. Meanwhile, arrears were significantly reduced, to a mere 0.8% of Gross Domestic Product (GDP), and inflation dropped to just 9.8% per annum. In similar fashion, the target for the fiscal deficit as a share of GDP was 3.5%, while the actual was estimated at 0.7% of GDP-- representing a drastic improvement over last year, when the deficit was 3.6%.

In addition to these achievements, USAID supported the GOK's efforts to develop an oil fund by sending 30 parliamentarians on a study tour. This study tour gave members of parliament the

opportunity to discuss issues and voice key concerns with counterparts from other oil producing countries. The study tour played a major role in helping the GOK reach consensus regarding the establishment of an oil fund, which it did in December 2000. The new oil fund is designed to shelter Kazakhstan's economy from the destabilizing effects of sharp fluctuations in international oil prices.

During 2000, USAID helped the GOK conduct a major revision of the tax code. The revision has resulted in improvements: the code has been simplified, special exemptions have been eliminated, and the treatment of non-profit organizations has improved. The U.S. ambassador was instrumental in pursuing policy dialog in this area; in particular, he dealt with various tax problems encountered by foreign organizations that operate in the country.

Significant progress was also made in tax administration. Reorganization of the administrative structure is one example. Though generally speaking, the GOK has too many employees, headquarters at the Ministry of State Revenues was tremendously under-staffed. Consistent with USAID advice, headquarters staff has increased by 50%. In addition, inspectors have been trained in audit, collection and tax treaty benefits. This has increased compliance significantly, resulting in a revenue increase of 40% during 2000. Also, the tax treaty backlog has decreased, and computerization of the tax inspectorate is on schedule.

During 2000, the Government of Kazakhstan made program budgeting a statutory requirement. Implementation of program budgeting began at the national level, including budgeting for health and education. USAID helped the GOK to develop instructions, train analysts and develop performance indicators. Finally, with USAID technical assistance, the GOK began implementation of multi-year budget planning for the first time, a major achievement.

Solid results were also achieved in intergovernmental finance during 2000. The government committed itself to changing its current non-transparent system of allocating revenues to the regions in favor of the stable rule-based system recommended by USAID advisors. In addition, the government clarified the expenditure responsibilities of local governments.

### **Performance and Prospects:**

The GOK's commitment to fiscal reform was commendable in 2000. Fiscal management has improved, inflation is lower, tax revenues are significantly higher and the government was able to carry out its spending plans. USAID's success in 2000 was greater than in any prior year, and we have now met or surpassed our performance targets for the second consecutive year. The GOK continues to adopt reforms that are necessary to improve its ability to raise revenues and manage its limited resources.

The GOK has been very receptive to USAID advice. The improved performance of the economy, particularly in the oil sector, has caused key reformers in parliament and the government to actively seek better resource management for the benefit of Kazakhstan's citizens. We expect over the next year that assistance to the parliament, the Ministry of Finance, and the Ministry of State Revenues will have stronger links to oil-related matters than in previous years.

In December 2000, the draft tax code passed the first reading in parliament. A new code is expected to be passed in 2001, and USAID will continue to help improve it. We expect that the new tax code will be simpler and fairer.

At the local level, USAID completed a credit analysis of the city of Almaty. That analysis is being used by the EBRD to evaluate the city for a loan to improve waste management. USAID has also improved the capacity for budgetary and capital planning by officials in Atyrau. Budget analysts have been trained in accounting, finance and budget development. In addition, USAID has also assisted city officials from Atyrau with developing a five-year capital budget.

Should this strategic objective receive less than full funding, USAID plans to scale back its work on the Atyrau Regional Initiative.

**Possible Adjustments to Plans:**

We plan to conduct an assessment of fiscal reform activities in the coming fiscal year.

**Other Donor Programs:**

The World Bank supported the computerization effort of the State Tax Committee and is continuing with a major treasury modernization project that involves technical advisors, training and equipment. USAID anticipated that EU/TACIS would provide the Ministry of State Revenues with assistance in tax administration. As of yet, however, they have not yet fielded an advisor. The EBRD is in the process of organizing a major loan to Almaty.

**Major Contractors and Grantees:**

The Barents Group implements the fiscal reform activity. The Academy for Educational Development (AED) coordinates participant training. The Eurasia Foundation provided a grant to an NGO working on tax issues.

**Performance Data Table**

Objective Name: Increased soundness of tax and budget policies and administration				
Objective ID: 115-0120				
Approved: 2000-06-01		Country/Organization: Kazakhstan – USAID/CAR		
Result Name: SO 1.2. Increased soundness of tax and budget policies and administration				
Indicator: A. Tax revenues as a percent of GDP				
Source: USAID Fiscal Reform Project, Kazakhstan		Year	Planned	Actual
Unit of Measure: Percent		(Base)2000	14.5%	17%
Indicator/Description: Tax revenues as a percent of GDP.		2001	14.8%	
<p>Comments: This indicator is an external indicator of progress in the areas of tax policy and tax administration. It is a standard indicator. Improving the code and improving tax administration will increase revenues collected, hence this indicator acts as an objective measure of progress.</p> <p>Actual performance has exceeded the targets this year as a result of the high oil prices. Approximately 25% of the increase in corporate income tax revenues was a result of the petroleum sector contributions. Targets may be reviewed upward, if the government retains its resolve, once oil prices return to more normal levels.</p>		2002	15.3%	
		2003	15.8%	
		2004	16.3%	
		2005	16.8%	
		(Final) 2005	16.8%	

**Performance Data Table**

Objective Name: Increased soundness of tax and budget policies and administration				
Objective ID: 115-0120				
Approved: 2000-06-01		Country/Organization: Kazakhstan – USAID/CAR		
Result Name: IR 1.2.1 Improved Tax Code and Implementation of the Code				
Indicator: Tax Code and Tax Administration Benchmarks Achieved				
Source: USAID Fiscal Reform Project, Kazakhstan		Year	Planned	Actual
Unit of Measure: Percent		(Base)2000		36.3%
Indicator/Description: Total number of benchmarks achieved as a percent of total number of benchmarks.		2001	40%	
		2002	50%	
		2003	60%	
		2004	70%	
		2005	80%	
		(Final) 2005	80%	
<p>Comments: This is a combination of two indices. "Percent of Tax Administration Benchmarks Achieved." This indicator was developed to measure progress on key components of tax administration. The designated benchmarks components include computerization, dissemination of information to the public. Progress in these areas will improve the level of service to individuals, increase fairness and transparency, and have a positive impact on revenues collected.</p> <p>"Percent of Tax Policy Benchmarks Achieved." This indicator was developed to measure key features that a good tax code should have. It should be fair, clear, and not create disincentives to work, save or invest. The benchmarks include: A) the absence of internal inconsistencies, and; B) does not discourage foreign investment. Progress in these areas will improve the quality of the tax code, increase fairness and increase voluntary compliance.</p> <p>For this SO, the SO Team designed a matrix that consists of numerous "bricks", each representing a benchmark. At the end of the period, the SO Team reviews reports to determine how many of these benchmarks were achieved. After analysis of the data related to each brick, a score from 0-3 is assessed to each brick, based on the degree of reform. An aggregate score is then tallied for the entire chart and the achieved percentage is calculated. The yearly percentage is compared to the yearly target to determine the project's progress.</p>				

### Performance Data Table

Objective Name: Increased soundness of tax and budget policies and administration			
Objective ID: 115-0120			
Approved: 2000-06-01		Country/Organization: Kazakhstan – USAID/CAR	
Result Name: IR 1.2.2 Improved Budget Development and Execution			
Indicator: Percent of Budget Development and Execution Benchmarks achieved			
Source: USAID Fiscal Reform Project, Kazakhstan		Year	Planned
Unit of Measure: Percent		(Base)2000	Actual
<p>Indicator/Description: Total number of benchmarks achieved as a percent of total number of benchmarks.</p> <p>Comments: "Percent of Budget Development and Execution Benchmarks Achieved." This indicator measures progress on budget development and execution. A budget process must be transparent and also enable the government to develop a spending plan that meets needs in key social spending areas. The benchmarks selected capture those important features. Benchmarks include expenditures matching targets, full execution of the annual budget, and meeting expenditure goals for safety net funding, capital spending and education.</p> <p>For this SO, the SO Team designed a matrix that consists of numerous "bricks", each representing a benchmark. At the end of the period, the SO Team reviews reports to determine how many of these benchmarks were achieved. After analysis of the data related to each brick, a score from 0-3 is assessed to each brick, based on the degree of reform. An aggregate score is then tallied for the entire chart and the achieved percentage is calculated. The yearly percentage is compared to the yearly target to determine the project's progress.</p> <p>The data submitted by the implementing partner is reviewed by the SO Team. By sharing information with other donors, comparisons are drawn between data provided by the implementing partner, donors, and the host government. Therefore, after the implementing partner collects data from host government publications available to the general public and from various IFI assessments of the fiscal sector, the SO Team reviews the data. The SO Team then uses independent assessments to cross-reference material provided by the implementing partner.</p>		2001	50%
		2002	60%
		2003	70%
		2004	80%
		2005	90%
		(Final) 2005	90%

**Performance Data Table**

Objective Name: Increased soundness of tax and budget policies and administration				
Objective ID: 115-0120				
Approved: 2000-06-01		Country/Organization: Kazakhstan – USAID/CAR		
Result Name: 1.2.3 Improved Intergovernmental Finance				
Indicator: Percent of Intergovernmental Finance Benchmarks Achieved				
Source: USAID Fiscal Reform Project, Kazakhstan		Year	Planned	Actual
Unit of Measure: Percent		(Base)2000		30.3%
Indicator/Description: Total number of benchmarks achieved as a percent of total benchmarks.  "Percent of Intergovernmental Finance Benchmarks Achieved." This indicator was developed by identifying areas for improvement that were key, if the system of intergovernmental finance was to support local government spending that reflected the priorities of citizens. These improvements include local assignment of education expenditures, transparency of subventions and withdrawals, local revenue authority, and a process that can adapt to decentralization.  For this SO, the SO Team designed a matrix that consists of numerous "bricks", each representing a benchmark. At the end of the period, the SO Team reviews reports to determine how many of these benchmarks were achieved. After analysis of the data related to each brick, a score from 0-3 is assessed to each brick, based on the degree of reform. An aggregate score is then tallied for the entire chart and the achieved percentage is calculated. The yearly percentage is compared to the yearly target to determine the project's progress.  After the implementing partner collects data from host government publications available to the general public and from various IFI assessments of the fiscal sector, the SO Team reviews the data. The SO Team then uses independent assessments to cross-reference material provided by the implementing partner.		2001	35%	
		2002	40%	
		2003	45%	
		2004	50%	
		2005	55%	
		(Final) 2005	55%	

## R4 Part II: Results Review by SO

**Country/Organization:** Kazakhstan - USAID/CAR

**Strategic Objective Name:** 2.3, More Effective, Responsible, and Accountable Local Governance

**Strategic Objective ID:** 115-0230

**Self Assessment:** Not meeting expectations

### Summary:

Link to Strategic Agency Framework:	2.4 Accountable Government Institutions (80%) 2.3 Politically Active Civil Society (20%)
Link to MPP Goals:	Economic Development Democracy

The performance of this strategic objective does not meet expectations. While a lack of political will to decentralize contributes to this rating, delays in implementation are the primary cause. The objective is to strengthen local governments as both democratic and service providing institutions through three intermediate results: 1) the introduction of democratic practices; 2) increased local government capacity; and 3) increased local government authority. Tangible improvements in local governments, chosen for their openness to reform, are possible without policy changes by the national government. Increased citizen participation and improved local government practices should increase the receptivity of national policymakers to decentralization and create a critical mass for promoting the local government reform. The ultimate beneficiaries are city dwellers, who benefit from the opportunity to convey their priorities to local government authorities and who enjoy improved services.

### Key Results:

The most successful component of the local government program continues to be the training program and the development of a local training capacity. The program is institutionalizing high quality, in-service training so that it is available to local government professionals nationwide. The number of local trainers and the number and variety of training modules, which they are able to conduct, is growing steadily. Training is well received and in high demand throughout the country. Two certification programs, one for financial officers and one for elected council members, will give motivated individuals' an incentive to complete a series of courses. The curriculum of the certification programs has the preliminary approval of the Agency for Civil Service (ACS) and will be offered by regional training centers throughout the country. USAID is providing assistance with curriculum development and training the trainers. It will co-fund training and provide quality control.

More public hearings were held, making it one of the most popular tools for soliciting citizen input. Several regional representatives of the National Anti-Monopoly Committee put USAID training and technical assistance on how to hold a public hearing to good use, while the National

Antimonopoly Committee (AMC) revised its regulations on public hearings. In Atyrau, the local Antimonopoly Committees held public hearings on water and sewage tariffs and the Ust-Kamenogorsk and Almaty Antimonopoly Committees held public hearings on heating and electric tariffs.

USAID assistance was key to the approval of the first of a series of loans by the World Bank to improve the city of Atyrau's water and sanitation systems management. As part of the effort to make the water company commercially viable, USAID consultants developed a methodology, complete with easy-to-use spreadsheets, to calculate the effect of a change in tariffs for use by the Atyrau Vodokanal (water authority). This will facilitate the development of rate change proposals as well as the analysis of the proposals by the Atyrau Anti-Monopoly Committee. USAID also presented to the national and local Anti-Monopoly Committees an analysis of the discrepancies between the current tariff rate policy for water in Kazakhstan and the conditionalities set by the World Bank as part of the loan agreement.

An in-depth credit worthiness analysis for the city of Almaty, as a preliminary step for an EBRD loan, was conducted by two consultants with expertise in municipal finance. While the assessment revealed that the city is managing its finances more professionally and transparently than in the past, the city's control over its own budget—and thus its ability to engage in borrowing independently—is highly circumscribed by the national government's practice of dictating annual transfers amounts. A partnership between the cities of Almaty and Tucson is seeking to improve solid waste management and public utilities infrastructure management. This complements the EBRD loan, which will finance a municipal landfill. Currently, private operators dump trash throughout the foothills of the Tien Shan Mountains surrounding Almaty.

In addition to the Almaty-Tucson partnership, a partnership between the northern city of Pavlodar and Helena, Montana was launched. In Pavlodar, the partnership will pursue improved solid waste management with particular emphasis on landfill improvement, water treatment and water system management, and communal property management.

Two public meetings were held with USAID support to discuss the local government draft law, one in Astana and one in a provincial city. Parliamentarians and representatives of local governments participated in both events, which were covered by the press. While the inclusion of local government officials was an important precedent from a law making point of view, it did not lead to significant changes in the draft law itself. The parliament and government agencies also requested comments from USAID and a number of its implementers on the draft law, but ultimately did not adopt any of the more far-reaching recommendations.

A Council of Oblast Maslikhat (regional council) Secretaries was established at the conclusion of the Astana public meeting. The council promised to provide a channel for bottom-up input into national policies affecting local government. The council's comments on the local government legislation, which was just recently passed, however, reflected more interest in the secretaries' own status than in decentralization. In contrast, city councils seem to think more independently and are more closely connected to the concerns of their communities.

**Performance and Prospects:**

The Government of Kazakhstan, while willing to hear other viewpoints on local government reform, is not yet willing to make serious changes. The new local state administration law does not provide a foundation for decentralization. Rather, it codifies the status quo. While the national government remains uninterested in decentralization, its proponents include the progressive but politically weak Agency for Strategic Planning, a number of parliamentarians, and an increasing number of local authorities. The Agency for Strategic Planning actively consulted USAID's advisors as it drafted a concept paper for decentralization in Kazakhstan, and has requested assistance with legislative drafting. USAID and its advisors maintain an on-going dialogue with the parliament regarding local government reform. While challenging and engaging national policymakers remains important, our plans remain unchanged, namely to introduce commonly accepted practices of accountability, transparency and citizen involvement to a broad audience of local government officials through nation-wide training, publications, and technical assistance. Consensus from below is the most likely strategy for raising the standard of governance.

**Possible Adjustments to Plans:**

Work in pilot sites during the second half of the reporting period slowed down. The target for one of the performance indicators, which captures dissemination of improved management practices, has not been met. A shift in focus away from the regional (oblast) administrations and towards improving management practices in city and district administrations may improve performance.

**Other Donor Programs:**

EU/TACIS is concluding its work in civil service reform and is starting a decentralization initiative. The World Bank is negotiating a series of loans for water supply companies that will include hiring outside operators to run the companies. The Soros Foundation provides small grants to local governments and NGOs to hold hearings and conduct other activities and grants to policy institutes to research local government issues.

**Major Contractors and Grantees:**

The International City/County Management Association implements the Local Government Initiative and Resource Cities. The Academy for Educational Development (AED) coordinates participant training. The Eurasia Foundation has provided grants to local administration and university-based public administration programs.

### Performance Data Table

Objective Name: 2.3 More effective, responsive and accountable local governance			
Objective ID: 115-0230			
Approved: 2000-05-01		Country/Organization: Kazakhstan – USAID/CAR	
Result Name: SO 2.3 More effective, responsive and accountable local governance			
Indicator: Public confidence in local government increases			
Source: Public opinion poll			
Unit of Measure: Percentage			
Indicator/Description: “Public confidence” is defined as public confidence in city local governments (Akimat and Maslikhat).			
Comments:			
7.0% expressed “high confidence” and 53.9% expressed “confidence with reservations” for a total of 60.9%. The same question regarding Oblast administration yielded a similar response (6.9% + 52.3% for a total of 59.2%).			
An IFES poll, conducted in 1996, is included here as a reference point. It posed the question “how responsive is local government to the needs and concerns of the people”. 6% said “very responsive”, 22% “somewhat responsive”, for a total of 28%. Thus, there appears to be a big jump in confidence, though this is probably due to the improved economic situation (see Kyrgyzstan R4 for SO 2.3).			
	Year	Planned	Actual
	(reference point)1996		28%
	(base)2000		60.9%
	2001		
	2002		
	2003		
	2004		
	2005		
	(Final) 2005		

### Performance Data Table

Objective Name: 2.3 More effective, responsive and accountable local governance			
Objective ID: 115-0230			
Approved: 2000-05-01		Country/Organization: Kazakhstan – USAID/CAR	
Result Name: IR 2.3.1 Introduction of democratic practices			
Indicator: Increase in use of participatory and transparent governance practices in target local governments			
Source: ICMA			
Unit of Measure: Percentage .			
Indicator/Description: Percentage of target municipalities using transparent procedures and vehicles for citizen involvement. The universe of target municipalities includes 55 jurisdictions. Thus 1.8% of the target municipalities is one jurisdiction. This indicator measures dissemination beyond the pilot sites. Practices need to be applied in the reporting period to be included  Comments: Three public hearings, in Atyrau, Ust-Kamenogorsk, and Almaty, and one round table discussion in Lisakovsk, were held. Thus, 4 sites engaged in participatory practices, for a score of 7.2%.	Year	Planned	Actual
	(Base)1999		3.6%
	2000	7.2%	7.2%
	2001	12.6%	
	2002	18%	
	2003	27%	
	2004	36%	
	2005	48.6%	
	(Final) 2005	48.6%	

### Performance Data Table

Objective Name: 2.3 More effective, responsive and accountable local governance			
Objective ID: 115-0230			
Approved: 2000-05-01		Country/Organization: Kazakhstan – USAID/CAR	
Result Name: IR 2.3.2 Increased local government capacity			
Indicator: Improvement in management practices in target municipalities.			
Source: ICMA			
Unit of Measure: Percentage.			
Indicator/Description: Percentage of target municipalities using new good management practices. The universe of target municipalities includes 55 jurisdictions. Thus 1.8% of the target municipalities is one jurisdiction.  Comments: Pavlodar has created a joint Akimat –Maslikhat Procurement Commission; tariff setting methodology adopted by the Atyrau Antimonopoly Committee; creditworthiness analysis developed for the Almaty city Akimat. That is three municipalities or 5.4%.	Year	Planned	Actual
	(Base)1999	3%	1.8%
	2000	7.2%	5.4%
	2001	12.6%	
	2002	18%	
	2003	27%	
	2004	36%	
	2005	48.6%	
	(Final) 2005	48.6%	

### Performance Data Table

Objective Name: SO 2.3 More effective, responsive and accountable local governance				
Objective ID: 115-0230				
Approved: 2000-05-01		Country/Organization: Kazakhstan – USAID/CAR		
Result Name: IR 2.3.3 Increased local government authority				
Indicator: Increase in functions, with corresponding funding and authority, clearly identified as local government responsibilities by national legislation and/or policy and in actual practice.				
Source: An annual review with scoring done by consensus by USAID, Contractors, and independent experts.				
Unit of Measure: Percentage				
<p>Indicator/Description: Score if the local government functions (below) are practiced nationwide, converted to a percentage. “Functions” are defined as :</p> <p>1) authority to manage services delivered at the local level;  2) access to revenue base local government can influence;  3) power to make budget decisions independently;  4) leadership accountable to citizens through elected officials;  5) control over communal property; and  6) department heads are accountable to the local government and not the central government.</p>		Year	Planned	Actual
		(Base)2000		50%
		2001	58%	
		2002	58%	
		2003	66%	
		2004	66%	
		2005	74%	
		(Final) 2005	74%	
<p>Comments:</p> <p>A round table discussion was held on February 5, 2000. The panel agreed that local governments are responsible for a wide range of services, education and health being partial exceptions (1 point). Local governments have some opportunity to set their budget priorities and some discretion on which budget line items actually receive an appropriation, since arrearages are common (half point). Communal property has been transferred to municipalities, and they have the power to allocate and use the property as they see fit (1 point). Despite decrees to the contrary, dual subordination gives national ministries a powerful voice over several departments, including the finance department, education, and health. The police and anti-monopoly committees, which regulate SMEs as well as utilities, are vertically organized (1/2 point). This adds up to a total of 3 out of 6 possible points, or 50%.</p>				

## R4 Part II: Results Review by SO

**Country/Organization:** Kazakhstan – USAID/CAR

### Training and Exchanges

Training and exchanges are fundamental to success, as participants are strategically selected to support and complement the mission's broader portfolio and objectives. Training and exchanges have enabled participants to positively influence practices in their own countries by exposing them to international practices through in-country, third country and U.S.- based training.

Annually, USAID trains approximately 15,000 Kazakhstanis through various activities. Of this total, USAID trained over 1,000 decision-makers, professionals and active citizens (approximately 50% of whom were women) through the Global Training for Development Project in FY 2000. The majority of training for FY2000 directly supported three of the mission's strategic objectives: SO 1.3, an improved environment for the growth of small and medium enterprises, SO 2.1, strengthened democratic culture among citizens and target institutions; and SO 2.3, more effective, responsive and accountable local governance.

USAID continues to place a greater emphasis on more cost-effective in-country training programs and on the training of trainers, rather than simply training individual participants. The impact of USAID's training on economic development in Kazakhstan has been broad and deep. More enterprises are able to determine their true profitability, and their accountants have the tools and techniques to help senior managers make the changes necessary to survive and thrive. A three-week SME development program in Israel provided methods and techniques to better enable decision-makers in local and national governments, as well as in businesses and banks, to appropriately allocate their financial and human resources. In turn, this will stimulate local entrepreneurs to invest in and manage new businesses and industries and to compete in national markets. The ultimate goal is to transform each of the Central Asian Republics into a market- and consumer-driven economy that is responsive to the needs of citizens.

After receiving USAID training, a local bank became the primary certified mortgage lender in Kazakhstan. The bank then established a new procedure to lease real estate and provide mortgage and consumer loans. Also, after a training program, law students established the "Kazakhstan Association of Young Lawyers." The association now has 50 official members and approximately 80 active supporters. As a result of training in media management skills, a local TV station, "RIKA" adopted new advertising practices. RIKA claims that it increased commercial airtime sales by 60 - 70%,

As a result of USAID training, Youth Information Service of Kazakhstan (YISK) conducted an effective media campaign to raise the general public's awareness of the need for education reform. The director of YISK, along with the Almaty-based rating firm Eurasia Consulting, developed a system to rank universities' performance. Using a grant received from the Eurasia Foundation, YISK purchased computers for four of its oblast offices, created a website, designed and printed posters, and opened a hotline that students from all over the republic can call with complaints or to learn more about the organization.

## **Environmental Impact Annex for FY 2003 R4**

USAID/CAR has made good progress this past fiscal year in complying with all USAID environmental regulations. It is anticipated that all of the Mission's activities will be in full compliance during the present fiscal year.

With assistance and guidance from the E&E Bureau, USAID/CAR prepared a Mission Order (074) addressing how to ensure environmental compliance of the CAR program. The Mission Order places primary responsibility for achieving environmental compliance with the Strategic Objective teams. The Bureau Environmental Officer (BEO) recently prepared a thorough training program on USAID's environmental compliance requirements and procedures, including practical manuals designed to be used by non-specialists on SO Teams. The BEO conducted an environmental compliance training course for the Mission staff in Almaty in May of 2000. Consistent with Mission Order 074, the audience for this training was the Mission Environmental Officer and leaders and project managers of SO Teams.

Following the May training program, Initial Environment Examinations were conducted for each of the new Strategic Objectives of the Mission. Most USAID/CAR activities developed under the new strategy and its component SOs fall under the classification of Categorical Exclusion. Nevertheless, there are subactivities under SO 1.6 for which further assessment will be necessary.

As of the time of this R4 submission, compliance status of each SO is as follows:

- SO 1.2-Increased soundness of tax and budget policies and administration: Fully compliant, Categorical Exclusion.
- SO 1.3-Improved environment for the growth of small and medium enterprises: Fully compliant, Negative Determination.
- SO 1.6-Improved management of critical natural resources, including energy: In process for a categorical exclusion and negative determination with assessments.
- SO 2.1-Strengthened democratic culture among citizens and target institutions: In process for a categorical exclusion.
- SO 2.3-More effective, responsive and accountable local government: In process for a categorical exclusion.
- SO 3.2-Increased access to quality primary health care for select populations: In process for a categorical exclusion.

USAID/CAR also conducted a region-wide biodiversity assessment beginning in late March of 2000. This assessment fulfilled the Mission's obligation to ensure that its "development strategy statement or other country plan...shall include an analysis of: (1) the actions necessary in that country to conserve biological diversity, and (2) the extent to which the actions proposed for support by the Agency meet the need thus identified (FAA, Sec. 119(d))." The assessment report is being reviewed by USAID/W in the E&E Bureau and is in the final stages of editing. Once completed, the Mission will also be fully compliant in this USAID environmental regulation.

## **Information Annex Topic: Updated Results Framework Annex**

### **Part I.**

#### **SO 1.2 Increased soundness of tax and budget policies and administration**

- IR1.2.1 Improved Tax Code and implementation of the Code
- IR1.2.2 Improved budget development and execution
- IR1.2.3 Improved inter-governmental finance

#### **SO 1.3 Improved environment for the growth of small-medium enterprises**

- IR 1.3.1 Increased opportunities to acquire business information, knowledge, and skills
- IR 1.3.2 Responsive financial institutions, instruments, and markets
- IR 1.3.3 Increased implementation of regulations and laws

#### **SO 1.6 Improved management of critical natural resources, including energy**

- IR 1.6.1 Increased management capacity in natural resource sector
- IR 1.6.2 Improved policy and regulatory framework
- IR 1.6.3 Sustainable models developed for integrated natural resource management
- IR 1.6.4 Public commitment established for natural resource management policies

#### **SO 2.1 Strengthened democratic culture among citizens and target institutions**

- IR 2.1.1 Stronger and more sustainable civic organizations
- IR 2.1.2 Increased availability of information on civic rights & domestic public issues
- IR 2.1.3 Enhanced opportunities for citizen participation in governance

#### **SO 2.3 More effective, responsive and accountable local governance**

- IR 2.3.1 Introduction of democratic practices
- IR 2.3.2 Increased local government capacity
- IR 2.3.3 Increased local government authority

#### **SO 3.2 Increased utilization of quality primary health care for select populations**

- IR 3.2.1 Select populations better informed
- IR 3.2.2 Improved quality of care including infectious disease and maternal and child health
- IR 3.2.3 Improved use of resources
- IR 3.2.4 Improve legislation & policy framework