

# **USAID/Turkmenistan**

## **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:**

The attached RESULTS INFORMATION ("R2") is from the FY 2002 Results Review and Resource Request ("R4"), and was assembled and analyzed by the country or USAID operating unit identified on this cover page.

The R4 is a "pre-decisional" USAID document and does not reflect results stemming from formal USAID review(s) of this document.

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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:** Turkmenistan - USAID/CAR

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

**Strategic Objective ID:** 120-0130

**Self Assessment:** Not meeting expectations

### Summary:

Link to Strategic Agency Framework: 1.1 Private Markets (60%)  
3.1 Access to Education (10%)  
3.2 Higher Education & Sustainable Development (30%)

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

In 2000, USAID achievements in this strategic objective were severely limited by the Government of Turkmenistan's unwillingness to reform its state-controlled economy. The goal is to stimulate further growth of SMEs by improving the business environment. Due to the extremely restrictive overarching economic environment, however, USAID is only seeking intermediate results through two intermediate results: 1) increased opportunity to acquire business information, knowledge, and skills; and 2) more responsive financial institutions, instruments and markets.

In this new SO, USAID's customer focus will be new job creation, economic growth, greater participation, and improved quality of life for the citizens of Turkmenistan. Further, by building a constituency for reform, creating employment and expanding economic opportunities, such a program can mitigate political and economic crises.

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 did not meet our expectations.

### Key Results:

Admittedly, progress under this strategic objective in Turkmenistan was exceedingly difficult last year. The GOT's direct control of the economy crippled private sector growth and international trade and investment. Consequently, results were minimal.

In 2000, Mercy Corps, International (MCI), under a grant from USAID, initiated a micro-credit program targeting small business with high-growth potential. The program disbursed \$163,000 in loans under \$25,000. The program also provided training to bank partners and small business owners in areas such as advanced loan analysis, asset liability management, trade finance, business planning, and bank analysis. The program was discontinued during the summer of 2000 as a result of CAAEF's decision to stop providing Mercy Corps with loan financing. The inability of CAAEF's clients to acquire the hard currency to repay loans led to substantial arrears in the fund's SME loan portfolio in late 2000. Therefore, CAAEF suspended new SME lending.

The Eurasia Foundation, however, had some success in providing grants to promote the growth of small and medium-sized businesses. Noteworthy achievements during 2000 included publishing a handbook on legal and regulatory issues for small enterprises and publishing a series of manuals for private farmers covering farm management, accounting, and a summary of current legislation related to farm businesses.

From January to April 2000, advisors from USAID's Trade and Investment activity taught a course on international business at the Economic and Business School of Turkmen Polytechnic Institute. We also collaborated with the Small- and Medium-sized Development Agency (SMEDA) to provide information to SMEs about Turkmen business registration requirements and procedures. In addition, USAID carried out a number of training seminars, including teaching customs officers to properly value merchandise.

**Performance and Prospects:**

Turkmenistan's near-term outlook still does not offer any prospects for building the necessary foundations for long-term economic growth. The dwindling number of foreign investors face increasing difficulties in most of their business operations. While there appears to be some recognition by the national leadership that the country's financial and fiscal management (budget and debt management) needs to be improved, there does not appear to be any political will among Turkmen leaders to make needed reforms. Given these concerns, USAID will now focus private sector activities on training and educating the next generation of entrepreneurs and policy makers.

Accordingly, USAID will undertake SME training and economic education initiatives. The upcoming Regional Economics and Business Education activity will provide increased opportunities for access to business and economic information. Currently, business and economics curricula in Turkmen universities are extremely weak by Western standards. Therefore, USAID will provide universities and SMEs with resource materials, training, and research opportunities.

Our newly implemented SME training activity offers entrepreneurs basic business education courses and introductions to business associations and advocacy groups. In connection with the strategic objective, USAID plans to increase business training opportunities available to entrepreneurs and private enterprise groups.

USAID stopped providing business education assistance under its Trade and Investment activity in June 2000, when the contract with Booz Allen & Hamilton ended. Similar training courses are now being offered under the new SME training activity.

In the event that this SO receives less than full funding, USAID plans to scale back the SME training activity still further.

**Possible Adjustments to Plans:**

In October 2000, an informal USAID review of several of Mercy Corps' approved loans raised questions about the effectiveness of the program in achieving results related to this strategic objective (in addition to the issues surrounding loan financing). Consequently, a formal evaluation of the micro-credit program was contracted (which began in January 2001). Depending on the results of the evaluation, as well as the continued availability of capital financing, the Mercy Corps program may be shut down in the near future.

**Other Donor Programs:**

In addition to USAID's involvement in supporting private sector growth and its development, other donor organizations, including EU/TACIS, UNDP, World Bank and EBRD, have economic reform programs in Turkmenistan. All of them have come under severe pressure in the past year, as a result of the GOT's regressive policies.

**Major Contractors and Grantees:**

USAID activities are implemented through the Central Asian-American Enterprise Fund (CAAEF), Mercy Corps, International, Winrock International, the Pragma Corporation, and the Eurasia Foundation.

**Performance Data Table**

Objective Name: Improved Environment for the Growth of Small and Medium Enterprises			
Objective ID: 120-0130			
Approved: 2000-06-01		Country/Organization: Turkmenistan – 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 Turkmenistan	Year	Planned	Actual
	(Base)2000		TBD
Unit of Measure: Percent	2001	TBD	
Indicator/Description: TBD	2002	TBD	
	2003	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.	2004	TBD	
	2005	TBD	
	(Final) 2005	TBD	

**Performance Data Table**

Objective Name: Improved Environment for the Growth of Small and Medium Enterprises			
Objective ID: 120-0130			
Approved: 2000-06-01		Country/Organization: Turkmenistan – 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 Turkmenistan	Year	Planned	Actual
Unit of Measure: Percent	(Base)2000	NA	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	24%	
	2002	42%	
	2003	60%	
	2004	80%	
	2005	100%	
	(Final) 2005	100%	

## Performance Data Table

Objective Name: Improved Environment for the Growth of Small and Medium Enterprises			
Objective ID: 120-0130			
Approved: 2000-06-01		Country/Organization: Turkmenistan – USAID/CAR	
Result Name: IR 1.3.2 More responsive financial institutions, instruments and markets			
Indicator: Percent of Benchmarks Achieved			
Source: Financial Sector Matrix		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	TBD
<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 a comprehensive matrix that outline the steps necessary to create more responsive financial institutions, instruments, and markets.</p> <p>However, the current operating environment in Turkmenistan has dictated the interruption of the micro-lending program. As a result, there are currently no targets.</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	TBD
		2003	TBD
		2004	TBD
		2005	TBD
		(Final) 2005	TBD

## R4 Part II: Results Review by SO

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

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

**Strategic Objective ID:** 120-0210

**Self Assessment:** Not meeting expectations

### Summary:

Link to Strategic Agency Framework: 2.3 Politically Active Civil Society (100%)  
 Link to MPP Goals: Democracy  
 Regional Stability

The performance of activities funded under this strategic objective was constrained by the actions of the Government of Turkmenistan and the strictly controlled political environment. Democratic culture in Turkmenistan will require, first and foremost, government receptiveness to reforms and increased popular demand for reform among both citizens and governing elites. The degree to which this can currently be done in Turkmenistan is extremely limited. Three intermediate results (IRs) are necessary for "strengthened democratic culture among citizens and targeted institutions". These IRs are 1) stronger and more sustainable civic organizations; 2) increased availability of information on civic rights and domestic public issues (limited to support for civic organizations and law libraries); and 3) enhanced opportunities for citizen participation in governance. (The final IR is limited to improving NGO legislation and supporting social partnerships between NGOs and local governments). These three intermediate results serve to foster attitudinal change about what constitutes a democracy and how citizens and targeted institutions can together bring about democratic reforms. The immediate customers of our assistance are NGO activists, law students, and the communities, which they serve.

### Key Results:

Reform in Turkmenistan remains difficult and discouraging, nowhere more so than in building a democratic society. Work is possible only because of the willingness of local counterparts to take risks and seek assistance and cooperation with international organizations. Their generally positive feedback on USAID-funded programs is hopeful. NGOs face increasing pressure from the government, which is suspicious of and resists civil society development. Registration remains one of the biggest challenges for the development of nascent civic organizations and only a dozen or so organizations have been registered during the past two years. Most of these are sport clubs or groups organized under quazi-NGOs, holdovers from the Soviet times. Given the registration constraint, Turkmen NGOs have become innovative in obtaining legal status. Recently several organizations have been registered as cooperatives. This gives them most of the rights afforded to NGO and allows the organization to accumulate a financial surplus. The lack of formal status, however, gives government authorities a ready-made reason to close down any of these organizations at any time.

Despite these challenges, NGOs in Turkmenistan have made a few small advances. A law student association has been formed at the Turkmen National University. Almost half of the law students enrolled at the university are now members of this club. *Adalat*, the name of this association, has elected officers and has formed a committee structure. The club participated in the Central Asian Moot Court competition held in Tashkent, Uzbekistan, in August 2000, and one of the club's teams won first place for best-written arguments and second place overall. A law library, accessible to the public, is being established at the University.

Several environmental NGOs discussed environmental aspects of Turkmenistan's newly adopted rules and regulations regarding oil and gas operations with government officials and representatives of Turkmen and international oil and gas concerns at a USAID-sponsored seminar in August 2000. Wide media coverage of a gathering with environmental NGOs and transnational corporations (TNCs) in the Caspian Region, held in Almaty, Kazakhstan, helped deliver the message that environmental NGOs in the Caspian Region have an important role to play in tracking and monitoring the work of oil and gas companies.

A focus on development of civic organizations through people's involvement in community-based projects has resulted in expansion of community water user groups in Dashaguz Velayat to include 43 community water committees, and has directly resulted in 13,234 people ensuring that they regularly receive clean drinking water. A health education campaign conducted by an NGO in Uchgen has led to a dramatic reduction in the cases of diarrhea, hepatitis, and worms. Through USAID support, the number of local independent NGOs receiving free internet and e-mail access has doubled to 80.

The Public Diplomacy Section complements USAID's work. Public Diplomacy supports NGO activists by funding education and culture exchange programs that include many NGO and community leaders and providing short-term training courses for internet access for participants of U.S. government training through the Internet Access and Training Program (IATP). USAID actively participates in the small grants program of the Democracy Commission and nominates participants for the International Visitors program.

### **Performance and Prospects:**

The government continues to tighten its grip on Turkmen society. It blocks civil society activities, strictly controls the media, discourages educational innovation and tramples citizens' human and religious rights. At present, the Committee for National Security (KNB) actively restricts NGO activity, especially when NGOs' work attracts the attention and presence of international organizations. This negatively influences the attitudes of regional (velayat) and district (etrap) level officials towards NGOs. In October 2000, a conference organized by local NGOs in the city of Turkmenbashi attracted attention and funds from the international community, including USAID, as well as participation of local government representatives. After the conference, all participants were interrogated by the KNB.

USAID will continue to encourage the development of civic organizations with a focus on the local level and within traditional communities outside the capital city of Ashgabad. The ways that we render assistance, however, will be reconsidered based upon political trends in the country. The government has not allowed Counterpart Consortium – a key USAID partner, to

open a civil society resource center in the Lebap velayat. It may, however, be possible to partner with an existing organization.

USAID will continue to conduct dialogue with the Turkmen National Institute of Democracy and Human Rights and the Ministry of Justice on how to improve the legal environment for local NGOs and international organizations. While it is difficult to predict when the NGO law will be drafted, there is a preliminary agreement with the institute to include USAID in the review of the draft Law on International Organizations.

**Possible Adjustments to Plans:**

In light of continuing pressure from the government on both international and local non-governmental organizations, we must review and reconsider how we approach the implementation of our activities. USAID will consider alternative ways of assisting NGOs and alternatives to establishing new civil society resource centers in the regions, while continuing to honor our commitment to the government of keeping it informed about ongoing NGO activities.

**Other Donor Programs:**

Other donors working in the democracy sector are the OSCE, the UN Development Program (UNDP), the United Nations High Commissioner for Refugees (UNHCR), UNICEF, and the British Embassy. Several other embassies (*i.e.*, New Zealand) and international agencies (*i.e.*, Canadian International Development Agency) which do not have a permanent presence in Turkmenistan, provide small amounts of assistance to grass roots civic organizations, frequently through USAID-funded grantees.

**Major Contractors and Grantees:**

Presently, USAID funds a number of American NGOs to pursue and cultivate civil society development. Counterpart Consortium, a project of Counterpart International, assists in the development of nascent civic organizations. The Initiative for Social Action and Renewal in Eurasia (ISAR), assists the development of local environmental NGOs. The American Bar Association/Central and East European Law Initiative (ABA/CEELI) works with the law student association and is setting up a legal information center. The Eurasia Foundation provides assistance to registered NGOs. The Academy for Educational Development (AED) coordinates participant training.

### Performance Data Table

Objective Name: 2.1 Strengthened democratic culture among citizens and targeted institutions				
Objective ID: 120-0210				
Approved: 2000-05-01		Country/Organization: Turkmenistan – USAID/CAR		
Result Name: IR 2.1.1: Stronger and More Sustainable Civic Organizations				
Indicator: IR 2.1.1: NGO Sustainability Index				
Source: Cross-cutting focus groups in each country		Year	Planned	Actual
Unit of Measure: Number		1999		6.6
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).		(Base)2000	N/A*	5.4**
		2001	5.35	
		2002	5.34	
		2003	5.29	
		2004	5.25	
		2005 (final)	5.20	
<p>Comments:</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> <p>** Several factors resulted in a rapid increase in the Turkmenistan NGO Sustainability Index, which does not reflect the general trends of the civil society development. First, the focus groups convened changed in composition from the previous year, with the result that the numerical scores necessarily reflected, to some extent, the vagaries of participants' individual experiences, biases, etc. Importantly, local NGO representatives were included in the focus group. Second, the Index scores categories, but these scores are themselves amalgamations of scores on multiple sub-categories. There was often considerable, statistically significant standard deviation across sub-categories and across respondents, thus leading to sometimes-counterintuitive overall category scores. This double-amalgamation across multiple respondents and multiple sub-categories makes for a volatile data point that is vulnerable to participants with little or no exposure to international norms or other neighboring countries' experiences. In Turkmenistan, local NGO activists have less knowledge of international standards or NGO activity in other neighboring countries, and thus their assessment of the situation is generally more positive than that of international observers. The inclusion of local NGO activists this year thus led to a radical jump in scores from 1999.</p> <p>From FY2000 and onward, USAID intends to preserve consistency in methodology of data collection and participants of the crosscutting groups, to capture trends more accurately.</p>				

### Performance Data Table

Objective Name: 2.1 Strengthened democratic culture among citizens and targeted institutions				
Objective ID: 120-0210				
Approved: 2000-05-01		Country/Organization: Turkmenistan – USAID/CAR		
Result Name: IR 2.1.2: Increased Availability of Information on Civic Rights and Domestic Public Issues				
Indicator: IR 2.1.2B: Number of students participating in civic education programs.				
Source: ABA/CEELI data		Year	Planned	Actual
Unit of Measure: Number		(Base) 2000		20
Indicator/Description: Calculated will be the number of students who received USAID/CAR civic education classes in a given academic year. Students comprise pre-school to tertiary. In Turkmenistan, this will only include law students. Data is disaggregated by gender (total/female).		2001	100	
		2002	120	
		2003	140	
		2004	160	
		2005	180	
Comments:		(Final) 2005	180	

**R4 Part II: Results Review by SO****Country/Organization:** Turkmenistan - USAID/CAR**Strategic Objective Name:** 3.2, Increased Utilization of Quality Primary Health Care for Select Populations**Strategic Objective ID:** 120-0320**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 tuberculosis (TB), hepatitis, and sexually transmitted infections (STIs).

In 2000, USAID made initial progress in an environment where implementation is difficult to initiate. 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:**

Over the past year, USAID has experienced surprising success due to consistent and continuous dialogue with government health officials, and persistent efforts at widening participation to include non-governmental organizations (NGO), other donors and community organizations. The U.S. ambassador to Turkmenistan has been a strong advocate for health NGOs and for USAID health programs. He has indicated that “the most productive area of collaboration between the U.S. and Turkmen governments is in the health sector.”

Most important among our accomplishments has been the implementation of the first-ever Demographic and Health Survey (DHS) in Turkmenistan. The Turkmen government is notoriously closed, and easily capable of rejecting attempts to provide reliable data on social issues. As part of the DHS, over 6,000 Turkmen women were interviewed about their reproductive lives, their health and overall economic status. Critical population and health data

have been produced in the preliminary report. For example, these initial results indicate that over 35% of currently married women want no more children; and most contraceptive users rely on the IUD, even though public-sector supply is very inconsistent. Further vital indicators, such as infant and maternal mortality, will follow as the data is further analyzed.

Significant results were also achieved in improving quality of health care. After the delivery of needed equipment and the appropriate training of personnel, a laboratory for diagnosing hepatitis is expected to open in the first half of this year under Ministry of Health (MOH) auspices in Ashgabat. In addition, in close collaboration with the MOH and WHO, USAID initiated a TB-DOTS program, (Directly Observed Treatment Short-course), to treat tuberculosis in pilot sites in Ashgabat. We are training TB doctors and laboratory specialists, providing modern drugs for treatment, and laying the groundwork to establish a supervision and monitoring system.

Health officials in Turkmenistan are growing more open-minded to experiments in health reform. A family medicine training center will open in early 2001, the result of a USAID-supported partnership between the MOH and a U.S.-based partner. Several exchanges have already taken place between Turkmen and American partners, and several key staff from the center were trained in the U.S. to prepare for opening the center.

Strict travel restrictions have been placed on Turkmen citizens, who must often forego the opportunity to participate in regional meetings and trainings. In response, USAID organized a regional conference in Ashgabat. The conference focused on the lessons of health reform in Central Asia, especially maternal and child health, an area of tremendous need. Holding the regional conference in Turkmenistan allowed a large number of medical professionals to learn what experiments and national health reform successes had been taking place in other countries. As a result of this exposure, the MOH has asked the USAID for technical assistance in strengthening maternal and child health care at a model primary health care site.

In 2000, USAID also began support for the syndromic management of sexually transmitted infections (STIs), as part of a national HIV/AIDS program by UNAIDS. Our support will allow UNAIDS to conduct a series of trainings in STI syndromic management for doctors throughout the country, and to support publication of a readable and consumer-oriented magazine focused on health prevention issues, which is a rare document to see in Turkmenistan. These activities to improve diagnosis and treatment of STIs are especially important for women, in whom most STIs are asymptomatic, and therefore undetected.

Finally, we consider the regional health care conference in December a positive result. Turkmenistan normally does not participate in regional activities. In this instance the government took an active and cooperative role in the conference, which was well attended by local, and other Central Asian health officials. We also view this as a positive sign for future work in the health care sector.

### **Performance and Prospects:**

With USAID regional activities now more welcomed and active, and with mechanisms developed especially for Turkmenistan in the reproductive health and maternal and child health areas, we judge that there is a reasonable chance at success.

Because of the slow and often difficult nature of dialogue with the government, and with the problems raised by the government's wariness of close collaboration with NGOs, Turkmenistan has proved to be a discouraging environment for many donors in many sectors. The potential gains make it is well worth continuing our efforts, and patiently addressing obstacles so that we can reach our clients, above all Turkmen women and children, whose health needs are considerable. As one NGO leader said, "Your project makes us more active and helps us know we are not alone in our efforts."

**Possible Adjustments to Plans:**

Because of the authoritarian nature of the Turkmen government, and its restrictive policies vis-a-vis information and travel, USAID has been limited in the types of activities we are able to support in Turkmenistan. A number of our regional programs have only recently been able to start activities in Turkmenistan. After the successful regional health care conference in December 2000, it appears that USAID may be requested by the government to provide technical assistance on strengthening maternal and child health care within primary health care.

The preliminary report of the 2000 DHS has been issued and disseminated to government officials and international organizations. The complete DHS report will be issued in 2001 and will contain very sensitive data, for example on infant mortality rates, which are almost certainly much higher than indicated in official government statistics. In Kazakhstan, the publication of the DHS has been the occasion for critical discussion by health policy-makers about methodological and clinical issues related to infant mortality. USAID hopes that a similar discussion may be possible in Turkmenistan. We have laid the groundwork with national and international organizations for the release of the data.

**Other Donor Programs:**

WHO is active in support of the TB DOTS Program. USAID and WHO are working together in pilot sites in Ashgabat, and will expand together to Turkmenbashi in 2001.

With USAID support, UNAIDS is implementing STI prevention and treatment. Other bilateral donors such as GTZ have small programs on curriculum development. There is no World Bank involvement in health issues in Turkmenistan.

**Major Contractors and Grantees:**

American Health International Alliance (AIHA) has been the primary USAID grantee in Turkmenistan with its partnership between the MOH and the University of North Dakota. The partnerships will result in a government sponsored Family Medicine Training Center. Project Hope and the Centers for Disease Control and Prevention (CD) have assisted the MOH to strengthen the detection and treatment of infectious diseases. Beginning in 2000, implementing partners also included Abt Associates/ZdravPlus, Counterpart Consortium, and UNAIDS.

### Performance Data Table

Objective Name: Increased Utilization of Quality Primary Health Care in Select Populations			
Objective ID: 120-0320 Tkm SO 3.2 Health			
Approved: 2000-05-01		Country/Organization: Turkmenistan – 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 pilot sites.			
Source: TB health information system		Year	Planned
Unit of Measure: percent		(Base) 2000	Actual
<p>Indicator/Description: Cure rate (CR, %) is the number of TB patients converted from smear positive to smear negative (PC) as a result of DOTS treatment plus patients that completed treatment (CT) divided by total number of TB smear positive patients (TNP) minus number of deaths (ND).</p> $CR = \frac{PC + CT}{TNP - ND} \times 100 \%$ <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: * Objective comprehensive measurement of the results of DOTS implementation is only available 12-15 months after the initiation of treatment. The first TB patients in Turkmenistan treated with the DOTS approach started treatment in January 2000. Therefore their results will be available between January and March of 2001.</p> <p>** Targets will be projected after baseline is determined.</p>		2001	N/A **
		2002	N/A **
		2003	N/A **
		2004	N/A **
		(Final) 2004	

### Performance Data Table

Objective Name: Increased Utilization of Quality Primary Health Care in Select Populations				
Objective ID: 120-0320 Tkm SO 3.2 Health				
Approved: 2000-05-01		Country/Organization: Turkmenistan – USAID/CAR		
Result Name: IR 3.2.1 Select populations are better informed about personal health care rights and responsibilities				
Indicator: % of non-governmental organizations (NGO) documenting behavior change against their baseline Knowledge Practice Coverage (KPC) surveys				
Source: KPC surveys and post-intervention evaluation		Year	Planned	Actual
Unit of Measure: percent		(Base) 2001		*
Indicator/Description: Select communities are assisted by health NGOs targeted by USAID/CAR for increased assistance in organizational and development of technical maternal and child health capacity. NGOs will be trained in the use of community surveys and will implement these surveys and design project proposals in partnership with their communities. NGOs will be trained in behavior change communication (BCC) and will design projects that propose to change health behaviors. A BCC event can be a training, seminar, workshop, and/or counseling in which the participants are exposed to information and skills intended to change behaviors that will lead to improved community maternal and child health.		2002	50%	
		2003	**	
		2004	**	
		(Final) 2004	**	
Comments: * This activity was funded in October, 2000. Baseline KPC surveys will be completed in spring of 2001.				
** This activity is currently funded through 2002.				

### Performance Data Table

Objective Name: Increased Utilization of Quality Primary Health Care in Select Populations				
Objective ID: 120-0320 Tkm SO 3.2 Health				
Approved: 2000-05-01		Country/Organization: Turkmenistan – USAID/CAR		
Result Name: IR 3.2.2 Improved quality of health care including infectious diseases and maternal and child health				
Indicator: Number of patients treated for sexually transmitted infections (STI) by providers trained in STI Syndromic Management				
Source: Pilot facility statistics				
Unit of Measure: number				
Indicator/Description: Providers are defined as trained in STI Syndromic Management after completing a 2-day STI Syndromic Management course including successful completion of exams. The STI Syndromic Management course follows a WHO-approved course outline. Patients treated for STIs are those identified as appropriate, according to protocol guidelines.		Year	Planned	Actual
		(Base)2000		0*
		2001	3,000	
		2002	**	
		2003	**	
		2004	**	
		(Final) 2004		
Comments: * Baseline is 0 because this is a new program.				
** This activity is currently funded through 2001.				

## R4 Part II: Results Review by SO

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

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

**Strategic Objective ID:** 120-0160

**Self Assessment:** Not meeting expectations

### Summary:

Link to Strategic Agency Framework: 5.4 Environmentally Sound Energy (70%)  
5.5 Natural Resource Management (30%)

Link to MPP Goals: Regional Stability  
Environment

Turkmenistan has large oil and gas reserves. Much of its water resources originate in Tajikistan. This strategic objective is designed to change the way these natural resources are managed. This objective calls for providing the citizens of Turkmenistan a voice in decisions affecting their lives and to 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:

Turkmenistan remains a place where achieving positive results is difficult. No government reforms are expected in the near future, and overall performance in other areas of activity is equally poor. The U.S. ambassador and USAID agreed that the best strategy would be to shift the balance of our efforts from working exclusively with present policy makers to focusing on the next generation of leaders.

There was, however, one qualified success. Turkmenistan passed progressive regulations that contain provisions to ensure health, safety and environmental protection while at the same time promote the introduction of new, more efficient technology. These regulations bring Turkmenistan into conformity with the international standards for rules and regulations that govern onshore and offshore oil and gas

production. Turkmenistan's regulations may be the most progressive in the industry. These regulations were drafted as a result of USAID training activities. In a rare move for Turkmenistan, officials received public comment on oil and gas drilling plans, as is required by this new oil and gas regulation. Since passage, there has been little movement toward implementation of these regulations.

USAID undertook several activities related to the oil and gas pipeline transportation sector in Turkmenistan. First, technical and legal expertise was provided in completing the recommended draft of the "Pipeline Law of Turkmenistan" and submitted the draft to the Government of Turkmenistan (GOT), where it is now being considered.

### **Performance and Prospects:**

The Government of Turkmenistan does not recognize any need for water conservation. Turkmenistan, a desert country, has perhaps the cheapest water on the planet. Resistance to change at the top level of government indicates there are few prospects for any progress with water conservation policy reform. The vast majority of water is used in agricultural production, and Turkmenistan has shown little interest in participating in transboundary water cooperation or developing regional water treaties that could limit their access. A continuing drought may raise tensions among the Central Asian nations over shared water resources and make desired results more difficult to achieve for regional activities.

The direction of petroleum policies in Turkmenistan is in constant flux, and performance in this sector will continue to be mixed. Including the next generation of technicians and economists in training activities, though a longer-term prospect, will lay groundwork for future better practices. Planned training will emphasize the implementation of environmental policies and introduce new technologies related to the management of oil and gas fields and scarce water resources. USAID is currently considering establishing a student chapter of the U.S. Society of Petroleum Engineers at the Turkmen Polytechnic Institute (TPI) through which to begin training.

To complement and reinforce this training, we are designing a demonstration model that will introduce new technologies and procedures that will lead to more safe and practical ways to manage and clean oil fields in the Caspian Sea area.

### **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 the role that different Central Asian regional organizations should have in the development of these 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 were not received for this SO, the planned demonstration of the clean-up of oil and gas fields along the Caspian Sea would not be offered.

**Other Donor Programs:**

The Canadian International Development Agency is providing technical training to water resource officials and managers, and the World Bank's Global Environment Facility grant was active in Turkmenistan in FY2000.

**Major Contractors and Grantees:**

PA Consulting implements the Natural Resources Management Program and the Department of Interior's Mineral Management Service will assist in training of oil and gas regulators.

### Performance Data Table

Objective Name: 1.6 Improved Management of Critical Natural Resources, Including Energy.				
Objective ID: 120-0160 Tkm. SO 1.6 Environmental Management				
Approved: 2000-05-01		Country/Organization: Turkmenistan– 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 Turkmenistan with the assistance of local partners.		2001	0	
		2002	0	
		2003	1	
		2004	2	
		2005	4	
		(Final) 2005	4	
Comments: In Turkmenistan the replication of a demonstration models will not start until we have some projects up and running which will come on line in the year 2002. We expect to see a run up in numbers in the out years. The targets are cumulative.				

### Performance Data Table

Objective Name: 1.6 Improved Management of Critical Natural Resources, Including Energy.				
Objective ID: 120-0160 Tkm. SO 1.6 Environmental Management				
Approved: 2000-05-01		Country/Organization: Turkmenistan– USAID/CAR		
Result Name: 1.6.1 Increased management capacity in the natural resources				
Indicator: The percent of training courses developed that are used by partner institutions.				
Source: Follow-up surveys to training activities.				
Unit of Measure: Percent		Year	Planned	Actual
Indicator/Description: “Training courses” refers to specific USAID/CAR-developed course packages “Used” refers to all or parts of the training courses that are implemented successfully by the partner institutions. “Partner institutions” refers to the list of partner organizations found in <i>USAID’s Assistance Strategy for Central Asia 2001-2005: USAID Regional Mission for Central Asia</i> , April 2000, page 117.		(Base)2000		0%
		2001	0%	
		2002	50%	
		2003	50%	
		2004	50%	
		2005	50%	
		(Final) 2005	50%	
Comments: It may be difficult to completely capture all of the ways in which training course materials are integrated into partner institutions.  It may be difficult to assess the quality of the implemented course materials. For example, a partner institution may incorporate materials from a training course but may incorporate or implement this material incorrectly. The Mission will only count course material that is incorporated in a manner that positively addresses this IR.				

### Performance Data Table

Objective Name: 1.6 Improved Management of Critical Natural Resources, Including Energy.				
Objective ID: 120-0160 Tkm SO 1.6 Environmental Management				
Approved: 2000-05-01		Country/Organization: Turkmenistan– USAID/CAR		
Result Name: IR 1.6.3 Sustainable models developed for integrated natural resources management				
Indicator: The 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
Indicator/Description: “Models or Projects” refers to USAID/CAR pilot demonstration projects in water and energy. “Completed” refers to the successful design and build of the demonstration project or model (or a similar variant) in a targeted area. “Other parties” refers to local partners associated with the replicated projects, including, but not limited to, other donors, counterparts, or private sources.		2001	0	
		2002	0	
		2003	0	
		2004	0	
		2005	1	
		(Final) 2005	1	
Comments: 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.				

## R4 Part II: Results Review by SO

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

### Training and Exchanges

Training and exchanges are fundamental to success, as participants are strategically selected to support and complement USAID's broader portfolio and objectives. Training and exchanges have enabled participants to positively influence practices in Turkmenistan by exposing them to international practices through in-country, third country and U.S.-based training. Annually, USAID trains approximately 1,500 Turkmen citizens (approximately 50% of whom are women) through its various activities. Of this total, USAID trained over 500 professionals and active citizens through the Global Training for Development Project in FY 2000. Participants received training in the area of economic restructuring, democratic reform, and social stabilization.

USAID continues to place a greater emphasis on more cost-effective in-country training and on the training of trainers, rather than simply training individual participants. USAID-funded training continued to expose Turkmen participants to neighboring countries' approaches to solving issues of mutual interest. However, stringent new exit visa requirements imposed by the Turkmen Government impeded the implementation of third-country and U.S.-based training programs. For this reason, the number of participants trained in country increased by 49%.

As a result of USAID training, two indigenous NGOs – “Special Olympics” and UMIT (which means “Hope”) are training people in various communities in their region about their rights. They provide legal advice, issue bulletins, arrange roundtables and hold charity actions. These two NGOs organized a fundraising drive for children from low-income families and for disabled children.

Ms. Muhamedova participated in the NGO Constituency Development training held in Croatia in 2000. While there, she learned new ways to fund her self-sustaining nonprofit organization, the Center of Youth Education. As a result of this opportunity, she acquired the knowledge to increase revenues for her organization and to expand services to include classes on skills retraining for unemployed, international business, office management and accounting. In the past year, 500 students completed the retraining course for the unemployed alone.

A three-week SME development program in Israel provided methods and techniques to stimulate local entrepreneurs to invest in and manage new businesses and to compete in national markets. One of the participants opened a consulting firm with three others. They have conducted training courses at the Dashoguz Business Training Center on starting new businesses, the basics of marketing and financial management for entrepreneurs. Once this firm becomes licensed as an auditor, the staff will be able to certify financial reports in accordance with Turkmen law.

After returning from an exchange with the Connecticut Chapter of the American Academy of Family Practice, the head of the family practitioners' association began providing medical retraining to improve family medicine. In one year, more than 300 family practitioners attended sixteen seminars in Ashgabat and Akhal velayat.

## **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