

USAID/Bulgaria
ANNUAL REPORT FY 2003

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A. Program Level Narrative

Program Performance Summary:

Background: For the past five years, Bulgaria has made considerable progress in terms of establishing a viable market-based democracy, producing a regional model of ethnic tolerance, and moving forward with its main foreign policy priorities: EU and NATO accession. Despite these impressive developments, reforms are far from complete; public confidence in the public institutions has plummeted; and the average Bulgarian is plagued by poverty, unemployment, and low living standards.

Politically, several alarming trends have characterized Bulgaria for the past two years: a growing gap between popular expectations and the political elite's agenda, plunging trust in the public institutions, and general disengagement from public life. In addition to this mounting political apathy, the ruling majority is further troubled by intensifying internal disagreements and poor coordination among the state institutions. These governance weaknesses as well as rising public disillusionment from politics may pose a serious threat to Bulgaria's medium-term political stability. Major deficiencies in the rule of law area further reinforce this plummeting public trust in the state institutions. The Bulgarian judiciary is still weak, poorly administered, under-funded, and low in morale. Although Bulgaria has moved from 66th place in 1998 to 45th in 2002 in Transparency International's Corruption Perception Index, corruption continues to be a major problem, with excessive discretionary power at all levels, over-bureaucratized and ineffective administrative systems, legislative gaps, weak law enforcement, and insufficiently developed oversight mechanisms. With regard to fiscal decentralization, the significant policy advances made during the past year remain to be translated into specific legislative measures and state budgets.

In economic terms, Bulgaria has managed to sustain good macroeconomic performance and sound fiscal policies. Real GDP growth has occurred for five consecutive years at an average rate of 4%. Annual cumulative inflation subsided from 579% in 1997 to 2.5% as of November 2002. The onerous foreign debt was also cut to 68% of GDP in 2002. Despite these favorable macroeconomic trends, overall annual economic growth for 1990-2000 is still negative. Foreign direct investment has registered disappointingly low levels, marking a 37% decrease relative to the same period last year. Though improving, the overall business climate continues to hinder investors with frequent changes to the legislative framework, excessive regulation, poor contract enforcement, lack of transparency, and burdensome administrative barriers. Credit to the private sector is still low, besides the steady increase from 10% of GDP in 1999 to 16% in the first half of 2002. SMEs are particularly constrained in accessing credit due to burdensome collateral requirements and high interest rates. The Bulgarian stock exchange continues to lack liquidity with very low turnover, despite the high number of companies quoted. On the external market, the economy's competitiveness remains relatively low, despite the EU's decision to recognize Bulgaria as a functioning market economy, albeit with reservations. Slight improvement in the trade balance has indeed been registered, but sustained growth in productivity and efficiency of the economy has not been achieved yet. While second stage economic reforms continue, the restructuring of key large-scale industries remains incomplete and the privatization of key state-owned enterprises suspended.

With a minimum monthly wage of \$50, an average working salary of \$134, and an average pension of \$50, Bulgaria has the lowest compensation levels in Central and Eastern Europe. Although poverty has slightly decreased in the past years, GDP per capita is only one-half the Central European average and merely one-fourth of the EU average. Unemployment is among the highest of all transition countries, hovering around 17%, and long-term joblessness accounts for more than 60% of the registered unemployed. Sadly enough, every third unemployed is a young person and every fifth is aged over fifty. This dramatic deterioration of the living standards has disproportionately affected certain vulnerable groups like the elderly, children, minorities, and women. At the same time, the existing social assistance system has failed to adequately respond to their needs. Regional disparities are growing and the demographic decline exacerbating as a result of declining birth rates, rising mortality, and continuing emigration.

While the Bulgarian Government remains committed to addressing these challenges, the pace of reform has mostly been uneven. Growing tensions between the executive and judicial power, increasing

pressure for cabinet reshuffle and, most recently, two no confidence votes have overshadowed Bulgaria's invitation to join NATO, pointing to growing political uncertainty as to the municipal elections next year.

U.S. Interests and Goals: During 2002, national security was the overriding U.S. national interest in Bulgaria, embodied in the goals of regional stability, anti-terrorism, fight against organized crime and corruption, open markets, and democracy. Situated in a highly volatile region, Bulgaria has managed to assert itself as a stable political and economic anchor in Southeastern Europe, contributing to the stabilization of the Balkan region and preventing the spread of conflict. Bulgaria has also proven itself as a reliable partner of the U.S. and its allies over the past several years. It is therefore in the best interest of the USG to assist Bulgaria in completing its transformation to a democratic, economically prosperous state as well as to ensure that it remains a positive force for stability in Southeastern Europe.

USAID addresses all aspects of Bulgaria's transition through an integrated assistance approach and a diverse program portfolio. To assist in the process of institutionalizing the rule of law, USAID has devoted resources to modernizing the court administration, increasing the professionalism of the judiciary, and combating corruption. With regard to fiscal decentralization, USAID promotes the adoption of a favorable legal framework, the establishment of a sound municipal finance base, and the development of more efficient and participatory local administrations. In addition to introducing new community-based models for ethnic integration, the Mission works to develop a vibrant civil society, to promote increased public participation in the legislative process, and to enhance the capacity of the independent broadcast media. On the economic front, USAID fosters the development of a market economy driven by increased private sector growth, a sound financial system, and an improved legal, regulatory and policy environment. The Mission also addresses the adverse social impacts of transition through assistance in the pension reform area, healthcare financing, and labor market efficiency.

Additional assistance is provided by the Department of State (media, civil society, educational exchange), the Department of Agriculture (economic development), the Department of Justice (law enforcement), the U.S. Treasury (tax policy, debt management, and law enforcement), and the Peace Corps (community development).

Donor Relations: USAID has always been flexible in responding to the needs of the Bulgarian Government and Bulgarian society at large. This has been achieved through good cooperation with the government, close donor coordination, good relations with the Bulgarian civil society, and the ability to channel technical and financial assistance to areas where USAID has a comparative advantage.

To avoid duplication and achieve better coordination, USAID participates in the GOB-established coordination working groups and co-chairs a topical working group on business environment. Other major donors complementing USAID's efforts in this field include the EU (strengthening associations and business consulting companies), GTZ (export promotion and association strengthening), UNDP (development of business support centers), the World Bank and DFID (regulatory framework improvement). The World Bank and USAID are the only donors supporting the healthcare reform in Bulgaria. While the Bank provides equipment and assists in the overall sector restructuring, USAID complements its efforts with key technical assistance. USAID has also served as a bridge for World Bank financing for the institutionalization of the Mission's successful PLEDGE model. EU and UNDP focus on job creation and poverty alleviation.

The EU has the greatest potential for assistance in the judicial reform and public administration area. However, delays in operational funding have proved to be a major problem, with the 2001 and 2002 PHARE and Twinning Programs on Judicial Strategy implementation not launched yet. EU assistance to government agencies is entirely related to legislative harmonization and funds management, while policy assistance is primarily provided by UNDP, the Open Society Institute, the Dutch Embassy, and the World Bank. Micro-projects aimed at the Roma have been financed under the EU PHARE civil society programs, and OSI has funded a school desegregation program. Although no other donor is comprehensively addressing local government reform, the Swiss Government, the British Government, and the World Bank complement USAID activities with demonstration projects on a limited geographic basis.

Challenges: In 2002, important progress has been made with the development of a National Strategy for Combating Corruption and a Strategy for Reform of the Judiciary. However, implementation of both has been slow and Bulgarians continue to view corruption as a key problem preceded only by unemployment, low incomes, and poverty. The public administration continues to suffer from inefficient and over-bureaucratized administrative structures, lack of transparency, and sluggish law implementation and enforcement. Political will for reform of the judiciary exists, but the pace of reform has been uneven, largely due to the lack of institutional coordination. These major deficiencies feed general distrust in the public institutions, hamper business investment, and prevent Bulgaria from meeting the international and EU standards in the rule of law area. On the local level, significant progress has been made in strengthening local governments. However, policy constraints continue to impede the development of strong and effective local governments burdened by unclear institutional roles, lack of financial resources, and disincentives to efficient management.

During 2002, Bulgaria failed to transform its sustained economic growth and financial stability into higher income, more jobs, and improved living standards for the average Bulgarian. Widespread poverty, income inequality, and growing long-term joblessness continue to burden a significant portion of the population. With the highest unemployment rate and the lowest income levels in Central and Eastern Europe, Bulgaria remains one of the poorest EU applicants. The government has not yet rationalized the extremely inefficient social payments system. Healthcare sector reform has stalled, burdened by excessive facilities, a disproportionately large workforce, and low quality of services. Moreover, second generation economic reforms have nearly come to a deadlock with the suspension of key privatization deals in the telecommunications, tobacco, and utilities sectors. Though improving, the overall business climate continues to hinder investors with frequent changes to the legislative framework, excessive regulation, poor contract enforcement, and lack of transparency. SMEs are further constrained by limited access to credit and burdensome administrative barriers. Although the government has committed itself to decreasing the number of registration and licensing regimes, little has been done so far in this area.

Key Achievements:

In collaboration with a newly elected Government that pledged to continue reforms required for the transition to a market-oriented economy and open, democratic society, USAID made good progress on overall program objectives. USAID has built on lessons learned through implementation and become more effective in focusing the program to support ultimate EU accession and NATO membership of Bulgaria. While significant gains were made in some areas, continued progress on transparency of governmental operations, improvements in Rule of Law, improvements in policies and regulations that inhibit economic growth of the private sector, and enhanced autonomy of local governments. The challenge in the coming years will be to continue the pace of reform, given the nation's fragile economic sector and fledgling democratic systems.

1. Private Sector Development: USAID assistance has improved target businesses capacity for market-oriented product development, increased productivity and management skills, improved market information and access to foreign markets, business planning skills, and financial management. A large number of USAID-assisted companies are now generating employment in disadvantaged and poor regions, and more than half of the targeted firms are either woman-owned or woman-managed. Some direct results of USAID assistance are reflected in a 15.3% increase in exports of assisted companies, and in established business linkages worth more than \$15 million. Micro-finance activities continued to expand and address the credit needs of small entrepreneurs, which has been one of the major constraints to economic growth and employment in Bulgaria. USAID's economic policy reform project has: (i) worked with several key economic agencies and departments on organizational change and management designed to help such institutions to better achieve economic objectives, and (ii) provided training in strategic communication skills to the press relations corps of all Ministries, the Council of Ministers, as well as to individual departments. The USAID-supported program is now actively advising the newly created Council for Economic Growth - the primary forum for public-private policy dialogue and competitiveness. The policy reform program has also nurtured cluster development in Bulgaria's IT sector, by helping key private players create a strategic plan for the sector's growth. Through ABE/CEELI

programs, USAID helped establish the institutional structure for Alternative Dispute Resolution with the Labor Conciliation Institute, which provides mediation services for labor disputes.

2. Financial Sector Development: Financial sector progress was marked with a new privatization and a move to international accounting standards for Bulgarian entities. The Mission was instrumental in improving the banking regulatory process and in considerably strengthening the professional capacity of Bulgarian bankers. With USAID support, a new Bank Insolvency Act was passed in September. With USAID technical assistance, one more bank privatization was concluded in FY2002. Under USAID leadership, comprehensive amendments to the Law on the Public Offering of Securities were prepared and passed by Parliament. A comprehensive Corporate Governance Manual based on the OECD corporate governance principles was created and distributed to 360 public companies. A modern, computerized, on-line, real-time capital market surveillance system was developed by USAID advisors and installed for the Bulgarian National Securities Commission. Under USAID leadership, a set of amendments to the Social Code has been prepared and presented to Parliament. These amendments will improve the security of the pension savings of the population and harmonize the pension legislation. With USAID assistance the legal framework for the voluntary health insurance has been created and recently enacted by the Parliament. The Health project has designed a comprehensive communication strategy, under which a National Health Clearing House was established.

3. Vibrant Civil Society: USAID assistance has increased the capacity of thirteen leading NGOs to become "support organizations" and provide technical and financial assistance to the civil society sector in Bulgaria. In 2002, USAID's program addressed the donor dependency of the NGO sector by establishing three community funds to engage the private sector, local government and citizens. The community funds assisted twenty-three social services NGOs to develop successful businesses to advance their missions. USAID helped achieve important legal changes such as the first seven tax amendments to decrease tax burdens on NGOs and to stimulate donations, and the adoption of a full package of freedom of information acts. A new type of fact-based professionally produced TV reporting has emerged in Bulgaria as a direct result of the efforts of the USAID-funded Broadcast Training Center. Under the Ethnic Integration program seventeen projects were implemented and forty-two more were funded to address social, educational and economic problems of the Roma communities in three pilot locations with large Roma population. Two multi-ethnic Conciliation Commissions were established to resolve local issues. Work with the GOB started on the development of a governmental program for ethnic integration. As a result of the anti-corruption awareness campaign of the USAID-supported Coalition 2000, the Bulgarian public decreased its tolerance for corrupt practices. The fight against corruption became a priority issue for the political leadership and a Government Anti-Corruption Commission was established. Legislative assistance in 2002 resulted in timely support for the newly elected Parliament through a large MP orientation conference, the publication of a parliamentary handbook, and a full management review and training of the administration. The Parliamentary Internship Program quickly gained recognition from new MPs and committee chairs for the high-quality of its legislative research assistance.

4. Rule of Law: USAID was integrally involved with implementing various provisions of Bulgaria's National Judicial Strategy. This included assistance to the Ministry of Justice and the Supreme Judicial Council in preparing an Action Plan, drafting legislative amendments and working on a Codes of Ethics for judges and court staff. The USAID model pilot court initiative, which now has eleven courts, received wide and resounding approval from counterparts and court users. The installation of software for an automated case management system was completed in five pilot courts in 2002, thus reducing case delay. It also provided the testing ground for designing workflow templates for regional and district courts and a simplified case management system. This has resulted in faster and more efficient handling of court documents, brought about greater professionalism among the court staff, provided greater services to the public and removed much of the administrative burden from the judges. The USAID supported Magistrate Training Center strengthened its capacity and received such wide recognition that at its current capacity, it has become unable to meet the demand from judges for new and expanded courses. The number of judges and court personnel trained in court automation and/or administration increased along with the number of courses. The Center's expertise is on such a high level that no other organization in the country has the ability to serve as the platform for the National Institute of Justice.

5. Local Government Development: The local government program has achieved excellent results. Bringing together for the first time representatives of NGOs and of central and local governments, a USAID-sponsored Forum established a consensus on strategic directions for fiscal decentralization reforms. The Forum subsequently embodied its conclusions in a historic agreement between the government and the National Association of Municipalities in which the government committed itself to specific elements of decentralization reform. Building on these conclusions, a decentralization program was developed by a working group and subsequently adopted by the Council of Ministers. The program paved the way for aggressive legislative reforms presently before Parliament. Further success attributable to USAID civil society capacity building activities is that advocacy by NGOs, such as the National Association of Municipalities, has been crucial in making changes in key legislation related to fiscal decentralization. Concrete results stemming from city-to-city twinning partnerships between 11 Bulgarian and US cities include: the development of municipal strategic plans, introduction of new budget forecasting processes, and developing marketing strategies to attract investment. These results are dramatic departures from current practice and prove to be powerful models for change. As a result, these 11 Bulgarian cities now share their successes with other cities throughout Bulgaria. In 2002, resulting from the PLEDGE program's local economic development activities in 35 communities, 155 development projects have been launched, 82 new businesses have been started, 101 businesses have been assisted or expanded, and 3,154 new jobs have been created for low skilled, unemployed, mostly Roma.

Environmental Compliance: The Mission reviewed all strategic objectives and determined that all current activities are either in compliance with approved Initial Environmental Examinations (IEEs), Environmental Assessments, and Categorical Exclusions and all required mitigations and conditions are being followed or that for selected program activities additional examinations are being undertaken.

It has been determined that some sub-grants awarded had been accomplished with consideration of environmental impact and mitigation requirements, but that their full compliance with Regulation 216 had not been accomplished. The prime contractor has been notified and a plan developed to complete the necessary reviews to ensure full compliance. In particular, the PLEDGE program (under SO 183-0023) had not completed individual environmental checklists as per the program IEE. The contractor has submitted a full list of actions requiring review, and USAID is preparing to obtain the services of an environmental consultant to conduct total reviews. A workscope has been prepared and candidates for the consulting services are being contacted for schedule and cost estimates. The status of this program has been discussed with the Bureau Environmental Coordinator, who is assisting the Mission identify a consultant for this work. The Mission anticipates completion of the checklist reviews of all activities under the program by April 2003 and will consult with AID/Washington to resolve any outstanding issues. Full resolution of all issues is anticipated by the end of FY2003.

The Mission plans to initiate two new activities and to significantly extend or expand one: 1) technical assistance for the energy regulatory agency; 2) assistance in establishing a water and waste water training facility; and 3) expansion of technical assistance seeking commercial law reforms. This new assistance will require Initial Environmental Examinations, which should be completed by mid FY2003.

Additionally, approval of a new strategy with restructured activities and some new initiatives will require another environmental compliance review. Following approval of the graduation strategy, the Mission anticipates that some additional or amended Environmental Examinations or Environmental Assessments will be required. These are expected to be completed by the end of FY 2003.

Plans for amended Initial Environmental Examinations or Environmental Assessments:

183-0013: Initial review for energy sector technical assistance - March 2003

183-0013: Update IEE for technical assistance on commercial law reform - May 2003

183-0023: Update reviews for the PLEDGE - examination of impacts in February-April 2003

183-0042: Water and Waste Water Training Facility - mid FY2003

Revised Portfolio: Update reviews for all strategic objectives - end of FY2003

Country Closeout & Graduation:

D. Results Framework

183-0100 Improved Business Climate In the Bulgarian Economy

Discussion:

183-013 Accelerated development and growth of private enterprises in a competitive environment

- IR 13.1 Development of laws, policies and institutions which enable private sector growth
 - IR 13.1.1 Development of a Sound Investment Framework in the Energy Sector
- IR 13.2 Strengthened Private Sector Business Support Associations & Institutions
 - IR 13.2.1 Improved business performance of private sector association members
- IR 13.3 Transfer of Productive Assets to the Private Sector - NOT within the manageable interest of USAID/Bulgaria

Discussion:

183-0130 Accelerated Development and Growth of Private Enterprises in a Competitive Environment

Discussion:

183-014 A more competitive and market responsive private financial sector

SO Level Indicator: Private Bank Assets as a Percent of Total Bank Assets

- IR 14.1 A sound, regulated and efficient banking system established
 - IR 14.1.1 Increased Private Sector Participation in the Banking Sector
 - IR 14.1.2 Bank Supervision and Enforcement Capacity Strengthened
 - IR 14.1.3 Effective Bank Training Developed and Institutionalized
- IR 14.2 A Regulated, Transparent, Liquid Securities Market Developed
 - IR 14.2.1 Securities Market Infrastructure (Institutions) Strengthened
 - IR 14.2.2 Institutional and Broad Public Participation in Securities Markets Increased
- IR 14.3 A Sound, Regulated Private Pension System Established

Discussion:

183-0140 A More Competitive and Market Responsive Private Financial Sector

Discussion:

183-0200 Key Democratic Systems Work Effectively, Accountably and Responsively

Discussion:

183-021 Increased, better-informed citizens' participation in public policy decision-making

SO Level Indicator: Percent of Population Who Are Aware of Any NGO's Role in a Public Policy Matter

- IR 21.1 Strengthened capacity of non-governmental organizations
 - IR 21.1.1 Enabling legal and regulatory environment for civil society organizations in place
 - IR 21.1.2 Advocacy Coalitions for Participation Increased
 - IR 21.1.3 Effective, Sustainable ISOs in Place
- IR 21.2 Independent Broadcast Media Strengthened
 - IR 21.2.1 Electronic media legal/regulatory framework improved
 - IR 21.2.2 Improved Professionalism of Media Outlets
 - IR 21.2.3 Increased Effectiveness of Media Associations

Discussion:

183-0210 Increased, Better-Informed Citizens' Participation in Public Policy Decision-Making

Discussion:

183-022 An Improved Judicial System that Better Supports Democratic Processes and Market Reforms

SO Level Indicator: Judicial System Experts' Assessment of Performance of the Judiciary

- IR 22.1 Improved Professionalism of the Judiciary
 - IR 22.1.1 Judicial training institution established
 - IR 22.1.2 Judicial qualifications enhanced through continuing legal education
 - IR 22.1.3 Law Students Skills Improved during Apprenticeship Year
- IR 22.2 Improved Court Administration
 - IR 22.2.1 Model Pilot Courts Established
 - IR 22.2.2 Court Automation and Administration
 - IR 22.2.3 Court Personnel Trained in New Procedures and Responsibilities

Discussion:

183-0220 An Improved Judicial System that Better Supports Democratic Processes and Market Reforms

Discussion:

183-023 Local governments are making responsive choices and acting on them effectively and accountably

- IR 23.1 National legal framework provides local governments with the authority to match the responsibilities devolved by the state and delegated by the citizens
 - IR 23.1.1 Legal Reform at Central and Local Levels Is Advanced
 - IR 23.1.2 Involvement of Local Government in the National Policy-Making Process Is Increased
- IR 23.2 The financial tools, resources, and practices of local governments to fulfill their responsibilities and improve the local revenue base are in place
 - IR 23.2.1 National and Local Policies Support Increased Fiscal Decentralization
 - IR 23.2.2 Local Government Practices Support Increased Fiscal Capacity
- IR 23.3 Local Government Competence Is Improved, Participatory Practices Are Strengthened, and Local Partnerships in Place
 - IR 23.3.1 Effective Program to Provide Training in Management Skills, Competence and Expertise in Local Government Is in Place
- IR 23.4 Intermediate Support Organizations are a Significant Source of Assistance to Local Governments
 - IR 23.4.1 Intermediate support organizations have sustainable capacity to support local government
 - IR 23.4.2 Intermediate support organizations promote regional and trans-border linkages in response to local government development priorities

Discussion:

183-0230 Local Governments are Making Responsive Choices and Acting on Them Effectively and Accountably

Discussion:

183-0340 Mitigate Adverse Social and Economic Impacts of Transition

Discussion:

183-0400 Cross-Cutting Programs

Discussion:

183-041 Special Initiatives - Bulgarian Crisis Recovery Program

- IR 41.5 Special Initiatives - Internet Initiative for Economic Development
- IR 41.6 Special Initiatives - Economic Support Funds Program
- IR 41.1 Special Initiatives - Bulgarian Crisis Recovery Program
- IR 41.2 Special Initiatives - Labor Force Restructuring
- IR 41.3 Special Initiatives - American University in Bulgaria (AUBG)
- IR 41.4 Special Initiatives - Environmental Partnerships - Nature Conservation

Discussion:

183-0410 Special Initiatives

Discussion:

183-042 Cross-cutting programs

Discussion:

183-0420 Cross-Cutting Programs

Discussion:

Selected Performance Measures - Bulgaria

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Indicator (all data should pertain to FY or CY 02)	OU Response	Significant Result: Description of the significant result for a strategic objective	Data Quality Factors: Information relevant to the collection of this indicator data, e.g. "this data was not collected last year because it is only collected every five years."
Pillar I: Global Development Alliance			
Did your operating unit achieve a significant result working in alliance with the private sector or NGOs?			
183-0130 Accelerated Development and Growth of Private Enterprises in a Competitive Environment	Yes		3 Development Credit Authorities (DCAs) operational in the areas of energy efficiency and private sector development, in partnership with United Bulgarian Bank and First Investment Bank
183-0210 Increased, Better-Informed Citizens' Participation in Public Policy Decision-Making	Yes		1 Community Fund established in Chepelare, with 50% participation from local businesses, the local government, and citizens. The fund supports non-governmental efforts in the community.
a. How many alliances did you implement in 2002? (list partners)	4		
b. How many alliances do you plan to implement in FY 2003?	8		
What amount of funds has been leveraged by the alliances in relationship to USAID's contribution?	20822460		
Pillar II: Economic Growth, Agriculture and Trade			
USAID Objective 1: Critical, private markets expanded and strengthened			
Did your program achieve a significant result in the past year that is likely to contribute to this objective?			
183-0130 Accelerated Development and Growth of Private Enterprises in a Competitive Environment	Yes		15% increase in exports and 10.7% employment growth in USAID-assisted private companies in the following competitive industry clusters: light manufacturing, tourism, agribusiness, and information technology.
183-0140 A More Competitive and Market Responsive Private Financial Sector	Yes		Private bank assets increased by 5% in FY02, reaching 88% of total bank assets. The aggregate value of private pension fund assets almost doubled from 71,000 in FY01 to 131,000 in FY02 .
USAID Objective 2: More rapid and enhanced agricultural development and food security encouraged			
Did your program achieve a significant result in the past year that is likely to contribute to this objective?			
183-0130 Accelerated Development and Growth of Private Enterprises in a Competitive Environment	Yes		10 public warehouses licensed in FY02 with total capacity of 505,000 metric tons. More than \$2 million extended in farm sector credit by local commercial banks against grain held as collateral in licensed warehouses.
USAID Objective 3: Access to economic opportunity for the rural and urban poor expanded and made more equitable			

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

183-0130 Accelerated Development and Growth of Private Enterprises in a Competitive Environment	Yes			Outstanding USAID micro-loans amounted to \$2.8 million in FY02, 50% of which is targeted to women entrepreneurs and underserved population.
183-0230 Local Governments are Making Responsive Choices and Acting on Them Effectively and Accountably	Yes			In FY02, 155 economic development projects were launched in economically depressed regions; 82 new businesses were started; 101 businesses were assisted or expanded; and 3,154 new jobs were created for low skilled, unemployed, mostly Roma.

USAID Objective 4: Access to quality basic education for under-served populations, especially for girls and women, expanded

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

a. Number of children enrolled in primary schools affected by USAID basic education programs (2002 actual)	Male	Female	Total	
b. Number of children enrolled in primary schools affected by USAID basic education programs (2003 target)	Male	Female	Total	

USAID Objective 5: World's environment protected by emphasizing policies and practices ensuring environmentally sound and efficient energy use, sustainable urbanization,

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

183-0410 Special Initiatives	Yes			Key aspects of the first ten-year protected area management plans implemented in the Rila and Central Balkan National Parks, including tourist infrastructure and capital investments.
a. Hectares under Approved Management Plans (2002 actual)	156622			
b. Hectares under Approved Management Plans (2003 target)	179622			

Pillar III: Global Health

USAID Objective 1: Reducing the number of unintended pregnancies

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

Percentage of in-union women age 15-49 using, or whose partner is using, a modern method of contraception at the time of the survey. (DHS/RHS)	%			
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USAID Objective 2: Reducing infant and child mortality

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

Percentage of children age 12 months or less who have received their third dose of DPT (DHS/RHS)	Male	Female	Total	
Percentage of children age 6-59 months who had a case of diarrhea in the last two weeks and received ORT (DHS/RHS)	Male	Female	Total	

Percentage of children age 6-59 months receiving a vitamin A supplement during the last six months (DHS/RHS)	Male	Female	Total	
Were there any confirmed cases of wild-strain polio transmission in your country?				

USAID Objective 3: Reducing deaths and adverse health outcomes to women as a result of pregnancy and childbirth

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

Percentage of births attended by medically-trained personnel (DHS/RHS)	%			
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USAID Objective 4: Reducing the HIV transmission rate and the impact of HIV/AIDS pandemic in developing countries

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

a. Total condom sales (2002 actual)				
b. Total condom sales (2003 target)				
National HIV Seroprevalence Rates reported annually (Source: National Sentinel Surveillance System)	%			
Number of sex partners in past year (Source: national survey/conducted every 3-5 years)per DHS or other survey)				
Median age at first sex among young men and women (age of sexual debut) ages 15-24 (Source: national survey/conducted every 3-5 years) per DHS or other survey)	Male	Female	Total	
Condom use with last non-regular partner (Source: national survey/conducted every 3-5 years)per DHS or other survey)	%			
Number of Clients provided services at STI clinics				
Number of STI clinics with USAID assistance				
Number of orphans and other vulnerable children receiving care/support				
Number of Orphans and Vulnerable Children programs with USAID assistance				
Number of community initiatives or community organizations receiving support to care for orphans and other vulnerable children				
Number of USAID-supported health facilities offering PMTCT services				
Number of women who attended PMTCT sites for a new pregnancy in the past 12 months				

Number of women with known HIV infection among those seen at PMTCT sites within the past year.				
Number of HIV-positive women attending antenatal clinics receiving a complete course of ARV therapy to prevent MTCT (UNGASS National Programme & Behavior Indicator #4)				
Number of individuals reached by community and home-based care programs in the past 12 months				
Number of USAID-assisted community and home-based care programs				
Number of clients seen at Voluntary Counseling and Testing (VCT) centers				
Number of VCT centers with USAID assistance				
Number of HIV-infected persons receiving Anti-Retroviral (ARV) treatment				
Number of USAID-assisted ARV treatment program				
a. Number of individuals treated in STI programs (2002 actual)	Male	Female	Total	
b. Number of individuals treated in STI programs (2003 target)	Male	Female	Total	
a. Is your operating unit supporting an MTCT program?				
b. Will your operating unit start an MTCT program in 2003?				
a. Number of individuals reached by community and home based care programs (2002 actual)	Male	Female	Total	
b. Number of individuals reached by community and home based care programs (2003 target)	Male	Female	Total	
a. Number of orphans and vulnerable children reached (2002 actual)	Male	Female	Total	
b. Number of orphans and vulnerable children reached (2003 target)	Male	Female	Total	
a. Number of individuals reached by antiretroviral (ARV) treatment programs (2002 actual)	Male	Female	Total	
b. Number of individuals reached by antiretroviral (ARV) treatment programs (2003 target)	Male	Female	Total	

USAID Objective 5: Reducing the threat of infectious diseases of major public health importance

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

a. Number of insecticide impregnated bed-nets sold (Malaria) (2002 actual)				
b. Number of insecticide impregnated bed-nets sold (Malaria) (2003 target)				
a. Proportion of districts implementing the DOTS Tuberculosis strategy (2002 actual)	%			
b. Proportion of districts implementing the DOTS Tuberculosis strategy (2003 target)	%			

Pillar III: Democracy, Conflict and Humanitarian Assistance

USAID Objective 1: Strengthen the rule of law and respect for human rights

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

183-0220 An Improved Judicial System that Better Supports Democratic Processes and Market Reforms	Yes			An Action Plan for implementation of the National Judicial Reform Strategy was adopted and implementation initiated. 100% of newly-appointed judges and 47% of sitting judges were trained at the Magistrate Training Center. Automated case tracking systems were made operational in 4 model pilot courts.
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USAID Objective 2: Encourage credible and competitive political processes

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

USAID Objective 3: Promote the development of politically active civil society

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

183-0210 Increased, Better-Informed Citizens' Participation in Public Policy Decision-Making	Yes			Two multi-ethnic Conciliation Commissions were established in Kjustendil and Vidin (Bulgarian cities with predominantly Roma population) to resolve existing and potential inter-ethnic problems.
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USAID Objective 4: Encourage more transparent and accountable government institutions

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

183-0230 Local Governments are Making Responsive Choices and Acting on Them Effectively and Accountably	Yes			A National Decentralization Program was adopted by the Council of Ministers in FY02, paving the way for further legislative reform. The percent of services over which municipalities have effective control increased from 21.4% in 2001 to 25.6% in 2002. Per capita increase in municipal revenues increased from \$114 in 2001 to \$125 in 2002. Thirty-two Municipal Customer Service Centers were opened and recognized as one of the best innovations in Bulgaria's public administration.
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USAID Objective 5: Mitigate conflict

Did your program in a pre-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?

Did your program in a post-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?

Number of refugees and internally displaced persons assisted by USAID	Male	Female	Total	
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USAID Objective 6: Provide humanitarian relief

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

Number of beneficiaries				
Crude mortality rates	%			
Child malnutrition rates	%			
Did you provide support to torture survivors this year, even as part of a larger effort?				
Number of beneficiaries (adults age 15 and over)	Male	Female	Total	
Number of beneficiaries (children under age 15)	Male	Female	Total	