

Europe Regional 2007 Performance Report

Operating Unit Performance Summary

In FY 2007, the Europe and Eurasia regional program contributed to advancing Transformational Diplomacy through nine program areas. In Stabilization Operations and Security Sector Reform support for mine clearing in Nagorno-Karabakh (NK) resulted in reduced fatalities and casualties and through training, local capacity on demining was increased. Complementary NK work under Protection, Assistance and Solutions supported shelters, health services, and water and sanitation fostering peace and security. Under Good Governance and Civil Society the continued publication of annual reports on the status of democracy and governance reforms, NGO sustainability, and media sustainability supported the prioritization of USAID resources. In Health, TB drug resistance surveys were undertaken and a Russian/English web site addressed important issues, family planning information was disseminated, and the first USAID study of non-communicable disease was commissioned and disseminated. Assistance to UNICEF helped double the use of iodized salt from 2000 to 2007 and the elimination of iodine deficiency in seven countries. Work on Social and Economic Services continued to provide analytical support to field programs and operational research assessed program impact and provided information on model programs while environmental assistance assured compliance with FAA provisions.

Under both the Macroeconomic Foundation for Growth and in the Financial Sector work continued to move countries to international standards. Accounting standards were promoted and financial sector participants attended varied standard related workshops, students and faculty were trained in case writing, and individuals from seven countries were certified in international standards.

As part of an effort to promote private sector competitiveness a certification course for the regions' firms was provided on international performance standards and training was provided for customs agents responsible for removing trade barriers under the Southeast Europe Trade Agreement. In infrastructure, multiple efforts continued to successfully promote energy security reflecting concern over the reliability of Russian energy supplies.

Program Area Performance \ 1 Peace & Security \ 1.3 Stabilization Operations and Security Sector Reform

The goal of USG assistance in FY07 was to save lives and prevent injuries through the humanitarian clearance of landmines and unexploded ordnance (UXO) remaining from the Armenia-Azerbaijan conflict. Per capita landmine accident rates in Nagorno-Karabakh (NK) are similar to those of Afghanistan and Cambodia, highlighting the need for stabilization operations to maintain the health of residents and establish peace and security in the Southern Caucasus region.

In addition to landmine clearance, USG assistance supports mine marking and mine awareness programs for NK residents, as well as activities to clean up former battlefields by locating all dangerous items, such as UXOs, and destroying them. The aim is to clear dangerous items from the entire area of NK so that contaminated lands can be returned to the local population for productive agricultural use. Mine clearance promotes and leads to more stability in the country, and allows people to focus on livelihoods rather than survival.

In FY07, 80 locally retained staff received continuous in-house and field training on different de-mining techniques: manual clearance, large loop detector clearance, mechanical and machine clearance, and mapping and marking of clearance. This training created local capacity in NK that will serve the population in the years to come as they continue to address the remnants of the conflict.

Overall, mine clearance in FY07 resulted in reduced Mine and UXO accident rates in all categories, including fatalities, casualties, UXO accidents, and is described in detail in the Program Element section.

Program Element Performance \ 1 Peace & Security \ 1.3 Stabilization Operations and Security Sector Reform \ 1.3.4 Explosive Remnants of War (ERW)

The goal of this Program Element is to clear the entire Nagorno-Karabakh (NK) area of mines and unexploded ordnance (UXO) in order to allow residents to live safely and provide them with the opportunity to use all agricultural lands to meet basic food needs. As this is a purely humanitarian effort, these activities are planned and carried out year-by-year depending on needs.

Presently, landmine- and UXO-related accidents continue to pose a serious risk for human lives and livestock in NK, despite the overall decreased rate of casualties in the last couple of years. Anti-vehicle mines also pose a risk on agricultural lands. Children often become victims of those mines given their curiosity and lack of awareness, but the USG has placed a greater focus on the adult sector (particularly poor farmers eager to use agricultural land for sustenance) as this was deemed to be a “high risk” sector.

Overall achievements include the following: 80% of minefields have been cleared in NK since 2001, of which 11.4% (or roughly three million square meters contaminated with Anti-tank and Anti-personnel mines) was cleared in FY 07. As a result, three million square meters of field will be fully used for agricultural and other civilian purposes. Likewise, out of the 68% of battle area cleared during the entire project, 5.5% (or eight million square meters) was cleared in FY07.

The USG continues to support mine risk education (MRE) and training for the general population, school children and teachers. In FY07, MRE training was conducted in 116 villages and four towns benefiting 20,743 people.

There was a significant drop in accident rates between 2006 and 2007 as a result of mine clearance efforts, namely: a total of only two accidents in 2007 compared to 11 in 2006; two casualties and fatalities in 2007 compared to 14 in 2006; zero fatalities in 2007 compared to two in 2006; one UXO accident in 2007 compared to nine in 2006; one child affected in 2007 compared to eight in 2006, one adult affected in 2007 compared to six in 2006.

Element Indicator Narrative \ 1 Peace & Security \ 1.3 Stabilization Operations and Security Sector Reform \ 1.3.4 Explosive Remnants of War (ERW)

The FY07 result for the indicator “square kilometers of de-mined land returned to productive use with USG assistance” was slightly lower than anticipated due to the dollar – dram (local currency) depreciation, which affected the implementing partner’s capacity to reach the set targets with the same amount of resources.

The number of civilians that the program planned to reach in training far exceeded the target set due to the an underestimation of the popularity of this program.

Program Area Performance \ 2 Governing Justly & Democratically \ 2.2 Good Governance

Encouraging improved democratic governance is a key component in the USG's long-term democracy development strategy in Europe and Eurasia. In order to better understand progress or regress in democratic governance, it is important to have systematic measures of change in democracy in the countries of the region. Nations in Transit (NIT) is a comprehensive annual progress report on the status of democracy & governance reforms in 28 E&E countries. NIT is the only publication to provide in-depth analysis and quantitative rankings of progress in democratization in E&E countries, thus assisting donors and governments to assess priorities, measure results of programs, and make funding decisions. The seven areas assessed by NIT include: Electoral Process, Civil Society, Independent Media, National Governance, Local Governance, Judicial Framework and Independence, and Corruption. NIT is used as a benchmarking instrument for phase-out decisions and focusing resources for future programming.

Program Element Performance \ 2 Governing Justly & Democratically \ 2.2 Good Governance \ 2.2.6 Program Support (Governance)

Nations in Transit (NIT) was published, both electronically and in bound volumes, on time and on budget and distributed to E&E, Missions, other USG actors and to pertinent public and private organizations. The index is used to support E&E Bureau Monitoring Country Progress reports and field unit strategic planning, program design, assessment and results monitoring. NIT is the most comprehensive and in-depth yearly study of democratic governance in the Europe and Eurasia region. NIT is used regularly by USG colleagues at the State Department and in Congress. NIT is becoming increasingly influential in the region in fostering debates among political activists, journalists, and governments on democratic development.

Program Area Performance \ 2 Governing Justly & Democratically \ 2.4 Civil Society

Building an informed, involved citizenry is fundamental to the USG's long-term democracy development strategy in Europe and Eurasia. Civil Society and Media programs require research and analysis to measure sectoral improvements over time and across countries. Two annual qualitative research publications were delivered on time and on budget, meeting performance targets for FY07. The NGO Sustainability Index (NGOSI) and Media Sustainability Index (MSI) track country progress by specifically identifying strengths and weaknesses in clearly defined areas of each sector. The seven areas assessed by the NGOSI include: Legal Environment, Organizational Capacity, Financial Viability, Advocacy, Social Provision Infrastructure and Public Image. The MSI assesses five areas: Free Speech, Professional Journalism, Plurality of News Sources, Business Management and Supporting Institutions. The NGOSI and MSI are used to make phase-out decisions, prioritize resources and identify areas for future program planning by E&E, Missions and other USG actors.

Program Element Performance \ 2 Governing Justly & Democratically \ 2.4 Civil Society \ 2.4.3 Program Support (Civil Society)

The NGOSI and MSI were published on time and on budget and distributed to E&E, Missions, other USG actors and to pertinent public and private organizations. Both indexes are used to support E&E Bureau monitoring country progress reports and field unit strategic planning, program design, assessment and results monitoring. The NGOSI provides research to support sustainable non-governmental organizational development. The MSI is the most comprehensive report available on developing/transitional media

environments. Both publications are regarded as models of sectoral analysis. The DCHA bureau is considering production of the NGOSI on a global basis. The MSI has been replicated in North Africa and the Middle East countries, with planning underway for a similar product for Africa.

Program Area Performance \ 3 Investing in People \ 3.1 Health

E&E regional health programs safeguard people, help governments deliver tangible services, and build capacities that make stable democracies and healthy economies sustainable. They provide strategic guidance and program support to bilateral programs in 6 USAID Missions and 13 countries. Regional health programs enhance the impact of bilateral programs by filling critical gaps best addressed by more cost-effective regional initiatives. The Bureau's highly praised Investing in People Workshop brought together 72 USAID health and social transition staff representing 16 E&E countries to promote best practices in infectious diseases, non-communicable diseases and injuries, family planning, maternal and child health, and health sector reform. The Health Team produced the fifth edition of its E&E Health Vulnerability Analysis, which identifies health trends and "hot spots" among 28 E&E countries. Work began on the design of a regional HIV/AIDS substitution therapy policy project that will assist advocates and policy makers. Regional funds supported a Russian/English TB website that addresses important topics such as TB/HIV co-infection and multi-drug resistant TB. Activities began to conduct TB drug resistance surveys in E&E and to address the organizational challenges impeding the coordination of TB and HIV/AIDS programs. E&E's Regional Family Planning Activity hosted a regional meeting for various stakeholders to share experiences and complete country workplans that address FP needs in their countries. The FP Activity also produced a well-received review of the private sector opportunities for FP expansion. Regional funds commissioned and disseminated the first USAID study on non-communicable diseases and injuries. Using E&E regional funding, UNICEF helped double the use of iodized salt in E&E from 28% in 2000 to almost 50% in 2007 and 7 countries have now eliminated iodine deficiency. E&E fund's also supported health communication activities and advanced National Health Accounts. The Bureau's Health Team provided many weeks of in-country technical assistance to countries in the region. In water supply and sanitation, USAID has succeeded in completing a widely-accepted reform planning process for restructuring and commercializing Montenegrin water utilities, creating stronger, more bankable utilities better able to collect and treat wastewater and provide clean drinking water. A similar plan has been initiated at the request of the Prime Minister of Georgia.

Program Element Performance \ 3 Investing in People \ 3.1 Health \ 3.1.1 HIV/AIDS

HIV/AIDS activities in FY07 included a three week / five country implementation assessment of the CAPACITY Project in Central Asia which resulted in recommendations for changes in programmatic structure and implementation. In addition, work began on the design of a regional substitution therapy policy project that will assist advocates and policy makers in the region in making incremental policy changes to support the effective implementation of substitution therapy. This project will roll-out in FY08. Regional funding supported planning activities for the Virtual Leadership Development Program that will address HIV/TB co-infection by strengthening national leadership capacity to address the organizational challenges impeding the coordination of TB and HIV/AIDS programs. 10 teams composed of 71 participants from Belarus, Kazakhstan, Russia, and Ukraine will participate in the program beginning in FY08. Participants include TB/HIV coordinators, AIDS and TB Center administrators, senior staff from medical institutes, and HIV and TB specialists. Activities provided by the E&E Regional HIV/AIDS advisor included approximately 12 weeks of in-country technical assistance to missions in the region assisting with strategic planning, programmatic review, completion of mini-COP and OP requirements and donor coordination. In

addition, multiple funding sources, including HIV/AIDS, contributed to improving health communications in the region through American International Health Alliance (AIHA), the Investing in People (IIP) Workshop, the E&E Health Vulnerability Analysis, and technical assistance by the E&E Health Team to multiple missions in the E&E Region. Due to the cross-cutting nature of many of the E&E Health Team's regional health activities, the latter activities are reported on under other elements.

Program Element Performance \ 3 Investing in People \ 3.1 Health \ 3.1.2 Tuberculosis

E&E Regional activities focused on increasing political commitment and human resources capacity. Regional funds enabled WHO to provide DOTS-Plus training to 18 national TB program managers, and to print and distribute WHO Guidelines for the Programmatic Management of Drug Resistant Tuberculosis. Regional funding established the Russian/English TB website within the existing Eurasia Health Knowledge Network and addressed the need for TB educational materials specific to the region, highlighting important topics such as TB/HIV co-infection and multi-drug resistant (MDR). An online forum about MDR-TB drew over 50,000 hits. Website participants originated from 54 different countries/territories, including Russia, Ukraine, Georgia and Kazakhstan. Multiple funding sources, including TB, contributed to the Investing in People Workshop, the E&E Health Vulnerability Analysis, and technical assistance by the E&E Health Team to multiple missions. Due to the cross-cutting nature of the E&E Health team's work, many regional activities are reported on under other elements. In FY07, regional funding also supported planning efforts for the following activities taking place in early FY08: the Virtual Leadership Development Program; CDC multi-drug resistance surveys; and the TB Ministerial Conference. The Virtual Leadership Development Program addresses TB/HIV co-infection by strengthening national leadership capacity to address the organizational challenges impeding the coordination of TB and HIV/AIDS programs. 10 teams composed of 71 participants from Belarus, Kazakhstan, Russia, and Ukraine will participate in the program. Participants include TB/HIV coordinators, AIDS and TB Center administrators, senior staff from medical institutes, and HIV and TB specialists. Regional funds are enabling the CDC to conduct drug resistance surveys in Russia and Albania, including second-line drug susceptibility testing to measure XDR-TB (extensively drug resistant TB). The CDC undertook preparatory activities in FY07 to ensure the effective launch of the program in December 2007. Regional funds also helped WHO/EURO organize a high-level forum in October 2007 that brought together ministers of health, justice finance, and education, as well as TB experts to focus on the social and economic impact of TB in an effort to strengthen political will for the Stop TB Strategy and ensure sustained financing.

Program Element Performance \ 3 Investing in People \ 3.1 Health \ 3.1.5 Other Public Health Threats

In FY07, the regional program addressed Other Public Health Threats (OPHT) in the E&E Region through a number of successful cross-cutting activities including the Non-Communicable Disease and Injuries (NCDIs) in Eastern Europe and Eurasia report and conference. Multiple funding sources, including OPHT, contributed to advancing National Health Accounts, the Investing in People (IIP) Workshop, the E&E Health Vulnerability Analysis, and technical assistance by the E&E Health Team to multiple missions in the region. Please note these same activities are reported on under other elements. In FY07, John Hopkins University Bloomberg School of Public Health completed and disseminated the first study commissioned by USAID on Non-Communicable Disease and Injuries (NCDI). Evidence gathered in the report demonstrated that NCDIs are primary causes of the high mortality and morbidity rates in E&E. The report assessed the disease burden of NCDIs and recommended cost-effective NCDI interventions for improving health outcomes. The E&E Health Team succeeded in sustaining and leveraging other donor funding to support the regional network that strengthens the capacity of countries to produce National Health Accounts. National

decision-makers use this valuable financial data to monitor and guide health sector development. The IIP Workshop brought together 72 USAID health and social transition technical and program office staff from 13 USAID Operating Units representing 16 E&E countries to promote best practices in infectious disease control, family planning, maternal and child health, and health sector reform. Participants also explored creative approaches to address the burden of NCDIs with limited resources. The 2007 E&E Health Vulnerability Analysis (HVA) identified regional health trends and "hot spots" among the 28 countries. The HVA highlights OPHTs in the areas of NCDIs, low regional health expenditures, and high adult mortality.

Program Element Performance \ 3 Investing in People \ 3.1 Health \ 3.1.6 Maternal and Child Health

In FY07, the regional program advanced Maternal and Child Health (MCH) in the E&E Region through a number of successful activities. Using E&E regional funding, UNICEF helped double the use of iodized salt in E&E from 28% in 2000 to almost 50% in 2007 and 7 countries have now eliminated iodine deficiency (IDD). IDD is among the easiest and cheapest of all disorders to prevent and the single most important preventable cause of brain damage worldwide. Multiple funding sources, including MCH, contributed to advancing National Health Accounts, improving health communications within the region, the Investing in People (IIP) Workshop, the E&E Health Vulnerability Analysis, and technical assistance by the E&E Health Team to multiple missions in the E&E Region. Please note these same activities are reported on under other elements. E&E's support to the American International Health Alliance (AIHA) enabled AIHA to continue providing the region valuable communications and publications support, including reports on daily news events, access to the Eurasia Health repository of health information, and translation of professional medical literature into Russian. The E&E Health Team succeeded in sustaining and leveraging other donor funding to support the regional network that strengthens the capacity of countries to produce National Health Accounts. National decision-makers use this valuable financial data to monitor and guide health sector development. The IIP Workshop brought together 72 USAID health and social transition technical and program office staff from 13 USAID Operating Units representing 16 E&E countries to promote best practices in several priority health areas including maternal and child health. The 2007 E&E Vulnerability Analysis Annual Report (HVA) identified regional health trends and "hot spots" within E&E's 28 countries. Specifically, the HVA highlights MCH through the indicators Under-5 Mortality Rate, Public Health Expenditure, and Overall Health.

Program Element Performance \ 3 Investing in People \ 3.1 Health \ 3.1.7 Family Planning and Reproductive Health

In FY07, the E&E Regional Family Planning Initiative advanced Family Planning and Reproductive Health (FP/RH) in the region by implementing a number of successful activities. The Regional Activity completed four country desk reviews that describe the country-specific FP contexts in light of 10 best practices in FP. The project and Missions have used these reviews to identify areas of focus for FP service delivery improvement. Regional family planning funding produced popular case studies documenting USAID-funded FP programs in Russia and Romania. The Regional Activity also finalized an important review of the private sector opportunities for FP expansion in the region. The project disseminated the review widely and received praise from Global Health leadership. Additionally, the Regional Activity organized and carried out a regional meeting with mission staff, partners and country stakeholders to share experiences in FP practice. Participants completed country workplans with clear plans for addressing FP needs in their countries. The project translated and printed the standardized family planning choices wall chart in Russian, and disseminated 13,000 copies to Missions and partners in the region. The Regional Activity successfully

engaged three missions in the region to collaborate on improving the FP/RH situation through specific service delivery improvement methods, contraceptive technology updates, and policy improvement and development activities. Multiple funding sources, including FP/RH, contributed to advancing National Health Accounts, which succeeded in sustaining and leveraging other donor funding to support the regional network that strengthens the capacity of countries to produce National Health Accounts. National decision-makers use this valuable financial data to monitor and guide health sector development. Additionally, regional funds contributed to the Investing in People (IIP) Workshop, the E&E Health Vulnerability Analysis, and technical assistance by the E&E Health Team to multiple missions in the region. Due to the cross-cutting nature of many of the E&E Health Team's regional health activities, the latter activities are reported on under other elements.

Program Element Performance \ 3 Investing in People \ 3.1 Health \ 3.1.8 Water Supply and Sanitation

During FY07 significant progress was realized in two countries, Georgia and Montenegro, in addressing serious drinking water and wastewater disposal issues. In addition a milestone event was held to share reform lessons among over twenty countries in the E&E region.

USAID's approach to poorly-performing public utilities focuses on achieving fundamental reform, rather than promoting investments which will be poorly maintained and operated. Only after reforms that create efficient, business-oriented service delivery institutions is it practical to pursue major investments. The newly-minted nation of Montenegro relies heavily on its coastal tourism sector for its economic health. Unfortunately Montenegro's water utilities are unable to provide sufficient supplies of clean drinking water or keep wastewater from contaminating coastal waters. At Montenegro's request USAID supported a stakeholder process that resulted in a broadly-accepted plan for reforming the laws and institutions governing Montenegro's water utilities. Adopted in the spring of 2007 this reform plan will result in new water utility legislation, a strong national water utility regulatory agency, and the commercialization of water utilities across the country. USAID is working to partner with multiple donors to provide assistance during implementation.

After a decade of declining water utilities, Georgia approached USAID to help turn around their failing water sector. USAID quickly partnered with the European Union to develop and implement an action plan modeled on the successful approach used in Montenegro.

Near the end of the year, a workshop was held in Montenegro where over 100 water professionals from national ministries, local water companies, cities and trade associations learned about innovative and effective approaches to reforming and financing water utilities from presenters from countries already graduated from the USAID E&E program. Representing over twenty countries from the E&E Bureau the participants spent three days in a series of presentations and lively breakout discussions tailoring what has worked elsewhere in the region to their problems. Co-sponsored by the OECD and the International Water Association, this event strengthened ties between E&E water professionals in preparation for a major IWA conference in 2008 planned to build ties between this strong international trade association and our important region.

Element Indicator Narrative \ 3 Investing in People \ 3.1 Health \ 3.1.1 HIV/AIDS

FY07 indicator for information gathering or research activities was accomplished by a 3 week / 5 country

program implementation assessment of the CAPACITY Project in Central Asia which resulted in recommendations for changes in programmatic structure and implementation and led to the replacement of the Institutional Capacity Building Project by the Substitution Therapy Policy Project (reflected in FACTS). FY08 indicator for information gathering or research activities includes one activity for Roger Drew, one Program Design and Learning activity and 3 activities for the Substitution Therapy Policy Project including a literature review, key informant interviews and solicitation of stakeholder feedback. The FY08 indicator of number of information gathering or research activities was increased to take into account the new project's activities. Institutional capacity building indicators are null now with the addition of the new project and have been shifted to the number of local organizations provided with technical assistance for HIV related policy development (reflected in FACTS). FY08 funds will be used to assist 10 local organizations with HIV related policy development. Please note that program design and learning activities referenced under HIV/AIDS are the same as those detailed under other elements.

Element Indicator Narrative \ 3 Investing in People \ 3.1 Health \ 3.1.2 Tuberculosis

One target for FY08 pertains to the program design and learning activity and will remain unchanged in the revised target. However, the target was lowered for the MDRTB surveys from four countries to two countries due to budget constraints. The actual cost of conducting the surveys was higher than original estimates provided by CDC which necessitated a reduction in the number of countries participating, and therefore FY08 targets. No targets were set for FY07 due to the lengthy preparation time for the implementation of the surveys in countries. Please note that program design and learning activities referenced under TB are the same as those detailed under other elements.

Element Indicator Narrative \ 3 Investing in People \ 3.1 Health \ 3.1.5 Other Public Health Threats

The Program, Learning and Design activities will be accomplished in FY 2008 and will contribute to the number of information gathering or research activities target. DGST transferred funds to WHO/EURO in FY 2007 to support the creation of a regional NIS network for producing national health accounts (NHA). The activity will conduct one major training workshop over three days with up to 50 participants; award three analytical studies among the participants that they will present at the workshop, and produce a plan for continued collaboration. The project will strengthen the capacity of at least three host government institutions to produce NHA. This assistance is essential to analyzing Maternal and Child Health (MCH), Reproductive Health and Family Planning (RH/FP), and Other Public Health Threats (OPH) and other health expenditures, enhancing senior-level decision making capabilities. NHA has proven its value and utility in guiding decisions that lead to more efficient, effective, and equitable health care systems. Ultimately, these improvements lead to more healthful, productive, and stable populations. Please note that activities referenced under OPH are the same as those detailed under MCH and that Program Design and Learning activities are the same as those detailed under other elements.

Element Indicator Narrative \ 3 Investing in People \ 3.1 Health \ 3.1.6 Maternal and Child Health

The Program, Learning and Design activities will be accomplished in FY 2008 and will contribute to the number of information gathering or research activities target. DGST transferred funds to WHO/EURO in FY 2007 to support the creation of a regional NIS network for producing national health accounts (NHA). The activity will conduct one major training workshop over three days with up to 50 participants; award three analytical studies among the participants that they will present at the workshop, and produce a plan for continued collaboration. The project will strengthen the capacity of at least three host government

institutions to produce NHA. This assistance is essential to analyzing Maternal and Child Health (MCH), Reproductive Health and Family Planning (RH/FP), and Other Public Health Threats (OPH) and other health expenditures, enhancing senior-level decision making capabilities. NHA has proven its value and utility in guiding decisions that lead to more efficient, effective, and equitable health care systems. Ultimately, these improvements lead to more healthful, productive, and stable populations. Please note that activities referenced under MCH are the same as those detailed under OPH and that Program Design and Learning activities are the same as those detailed under other elements..

Element Indicator Narrative \ 3 Investing in People \ 3.1 Health \ 3.1.7 Family Planning and Reproductive Health

The FY07 target for number of information gathering or research activities was met through the E&E Regional Family Planning Initiative. Additional Program, Learning and Design activities will be accomplished in FY 2008 and will also contribute to the number of information gathering or research activities FY08 target. DGST transferred funds to WHO/EURO in FY07 to support the creation of a regional NIS network for producing national health accounts (NHA). The activity will conduct one major training workshop over three days with up to 50 participants; award three analytical studies among the participants that they will present at the workshop, and produce a plan for continued collaboration. The project will strengthen the capacity of at least three host government institutions to produce NHA. This assistance is essential to analyzing Maternal and Child Health (MCH), Reproductive Health and Family Planning (RH/FP), and Other Public Health Threats (OPH) and other health expenditures, enhancing senior-level decision making capabilities. NHA has proven its value and utility in guiding decisions that lead to more efficient, effective, and equitable health care systems. Please note that Program Design and Learning activities referenced under FP/RH are the same as those detailed under other elements.

Element Indicator Narrative \ 3 Investing in People \ 3.1 Health \ 3.1.8 Water Supply and Sanitation

This target was largely based on anticipated progress in Montenegro as the country implemented reforms in the water and sanitation sector policy environment. The Montenegrin Council of Ministers adopted a far-reaching action plan prepared with USAID assistance during Spring 2007 but the GOM was unable to secure pledges of additional donor assistance for its implementation until recently. USAID will be partnering with some of these donors (the European Agency for Reconstruction and the Italian Ministry of Environment) to implement portions of the plan during FY08 using pipeline funds.

Program Area Performance \ 3 Investing in People \ 3.3 Social and Economic Services and Protection for Vulnerable Populations

FY07 resources were used to improve programs promoting the social sector transition necessary to sustain political and economic transition in the EE Region. USAID/Washington funded research and sharing of knowledge contributed to building the awareness and capacity of experts to better address needs of vulnerable groups including, the disabled, the unemployed, children, youth at risk, and victims of trafficking. USAID field based experts, other USG inter-agency partners, and host country development partners were the direct beneficiaries of these information investments. Better informing the efforts of these experts promotes more accountable and effective public and private services that in turn build faith in state institutions and increase the popular support necessary for self-sustaining development.

Operational research assessed program impact and model programs. Outreach and knowledge sharing

initiatives then drew upon these analytical activities to increase awareness of social sector issues among staff at USAID Missions and USAID/W, the State Department, and other target audiences. A dozen reports produced in FY05 and 06 were distributed during FY07 in 22 countries to USG and mission staff, regional think tanks and libraries, target groups, and development partners. Seven listservs serving multiple USAID communities of practice enabled the wide distribution of these materials. This information and the FY07 analytical products were also used in the formulation of USAID staff training and some have been incorporated into other donors' training programs as well. In several cases this material was used inform E&E programming about improved cost efficiencies in programs.

A regional Investing In People (IIP) workshop for 72 staff from 16 EE countries and Washington addressed a growing need in the field for information on best practices and building of working relationships among newer USG staff.

Program Element Performance \ 3 Investing in People \ 3.3 Social and Economic Services and Protection for Vulnerable Populations \ 3.3.1 Policies, Regulations, and Systems

Key element level achievements effectively supported multi-country analysis, awareness building and supported on-the-ground implementation. This was done through providing information and recommendations to professional leadership in the USG and host countries to more effectively build policies and regulations and implement systemic social sector reforms.

Creative Associates International (CAI) started as a new contractor in FY07 to support EE/DGST/ST goals. This new contractor met all OP indicator targets through completing the following analytical products: "Regional EE Education Hotspots Update", "Links Between Trafficking In Persons and Domestic Violence", "Child Welfare Index", and an evaluation of programming among Roma minorities.

Knowledge sharing (KS) initiatives were expanded to meet the growing need to disseminate and facilitate exchange of information in an effective and efficient manner among USAID operating units. Surveys of USAID staff identified learning preferences, informational needs, and KS priorities. Based on these surveys, a multi-year KS plan and new intranet website designs were crafted that are already beginning to have broader USG impact. Completed analytical products were disseminated to key USG staff and multiple regional think tanks through mailings, websites, and at oral briefings.

A four-day IIP workshop shared best practices and approaches that most effectively address future challenges in health, social transition, sector reform, and declining budgets in the E&E region. Seventy-two USG health and social transition technical and program office staff from 13 operating units and 16 E&E countries came to together to address programming in 17 IIP thematic areas. The agenda was set through intensive interactions between USAID/W and field missions. Mission staff engaged each other in development of workshop content resulting in truly field driven presentations and stronger working relationships across missions. Initial success of this initiative can be gauged by the significant financial buy-in from USAID/M/HR, by the number of participants attending the conference, and by workshop evaluation results.

Element Indicator Narrative \ 3 Investing in People \ 3.3 Social and Economic Services and Protection for Vulnerable Populations \ 3.3.1 Policies, Regulations, and Systems

In reference to the indicator number of information gathering or research activities: To best support rollout of FAF, the number of information gathering or research activities has been increased from one to three for FY08.

Program Area Performance \ 4 Economic Growth \ 4.1 Macroeconomic Foundation for Growth

A macroeconomic environment that encourages investment requires sound fiscal policies based on international standards of transparency and accountability and well-governed institutions with the requisite human and institutional capacity to ensure implementation and compliance. In FY07, USG fiscal policy assistance helped achieve progress in establishing the macroeconomic foundation for growth by targeting the necessary preconditions for a more transparent and accountable macroeconomic environment: compliance with international accounting and auditing standards and development of more competent and ethical professional accountants and internal and external auditors supported by more credible and sustainable professional associations dedicated to serving the public interest through promotion of harmonized technical and ethical standards, continuing education, and compliance regimes for monitoring and closing gaps.

In FY07, USG Program Element assistance developed new quantitative and qualitative analytic tools to close compliance gaps with international standards of financial transparency and accountability issued by the two international standard setters in this arena: the International Accounting Standards Board (IASB) and the International Federation of Accountants (IFAC). To achieve long term impact, USG assistance helped underdeveloped regional and local professional associations receive assistance from more advanced professional associations in building human and institutional capacity. Resource-leveraging twinning alliances in Moldova and Kosovo partnered more advanced European institutions, as development mentors, with less developed beneficiary associations. To extend the impact of USG assistance and ensure sustainability, USG resources developed, tested and promoted global use of an integrated set of “model” tools for closing compliance gaps. Additionally, through technical leadership, donor coordination and outreach to international standard setters – including the World Bank, leading European professional associations, educational institutions, and multi-national audit firms – USG assistance contributed to the development of a more stable and predictable macroeconomic environment by informing and advancing the global and regional development agendas of other donors dedicated to serving the public interest through promotion of high-quality professional standards of fiscal transparency and accountability.

Program Element Performance \ 4 Economic Growth \ 4.1 Macroeconomic Foundation for Growth \ 4.1.1 Fiscal policy

A macroeconomic environment that encourages investments generating economic growth requires fiscal policies based on a solid foundation of high quality international standards and well-governed implementing and supporting institutions with the human and institutional capacity for effective implementation. In FY07, USG assistance targeted key preconditions for fiscal transparency and accountability: compliance with international accounting and auditing standards and development of more competent and ethical professional accountants and internal and external auditors supported by more credible and sustainable professional associations dedicated to serving the public interest through promotion of harmonized technical and ethical standards, continuing education, and compliance regimes. USG assistance met its targets in FY07, establishing 50% of the necessary pre-conditions. By year end, resources supported the achievement of 5 of 10 targeted preconditions. USG assistance piloted new quantitative and qualitative analytic tools to close compliance gaps with international standards of financial transparency and accountability issued by the

International Accounting Standards Board (IASB) and the International Federation of Accountants (IFAC), the two worldwide standard setters in the fields of public and private sector accounting, auditing, and ethics. Informed by two evaluations identifying compliance gaps with IFAC and IASB standards, two pilot projects – one in Kosovo, in Southeast Europe, and the other in the Republic of Moldova, in Eurasia – introduced an integrated set of “model” compliance tools, including twinning alliances (partnerships), compliance action plans, monitoring and evaluation frameworks, and benchmarking methodologies. The twinning alliances leverage USG resources by partnering more advanced European professional associations and multi-national audit firms, as development mentors, with less developed beneficiary associations challenged by compliance gaps. To extend the development reach of USG assistance and ensure sustainability and global use of these tools, USG technical leadership and donor coordination informed and advanced the development agendas of key global and regional actors (IFAC, IASB, World Bank, European professional associations, educational institutions, and multi-national audit firms) dedicated to serving the public interest through promotion of high-quality standards of transparency and accountability.

Element Indicator Narrative \ 4 Economic Growth \ 4.1 Macroeconomic Foundation for Growth \ 4.1.1 Fiscal policy

The USG met its target in FY07, establishing 50% of the necessary pre-conditions for a successful Fiscal Policy Unit (FPU). At the beginning of CY07, 10 preconditions were identified and by year end, targets were met as resources supported the achievement of 5 of the 10 preconditions.

USG resources piloted demonstration projects in FY07 in the Republic of Moldova and the province of Kosovo. Gaps in compliance with international benchmarks were identified through a uniform questionnaire; a Memorandum of Understanding (MOU) was executed with partner mentoring organizations to provide necessary technical assistance; three-year action plans were prepared to address compliance gaps; the plans began to be implemented; and a model monitoring and evaluation system was established. The program leveraged USG resources by partnering (‘twinning’) with advanced Western European institutions to provide technical assistance.

Program Area Performance \ 4 Economic Growth \ 4.3 Financial Sector

The development of financial markets based on international standards is critical across all financial areas – banking, insurance, and equity markets. USG regional programming promotes financial stability through the sharing of experience and knowledge, promoting the practical application of lessons learned since 1990 in supporting key financial sector institutions and strengthening the underlying legal/regulatory framework. In this way, sound financial policies and practices can be adopted and effectively implemented. USG resources in FY07 contributed to regional financial integration through a wide range of assistance in collaboration and cost-share with private and public financial sector institutions. Partners included accounting/audit associations, central banks, commercial banking associations, economic faculties/universities, finance ministries, judicial authorities, regional financial sector groups, regulatory authorities, and research institutes.

USG efforts in regional financial sector integration throughout Central and Eastern Europe up to 2004 and Southeast Europe thereafter were aided by the joint, regional goal of European Union succession. As regional financial sector programming expanded in FY07 to encompass Eurasia, the promotion of best practices in international standards is guided less by European Union succession and more by international best practices and increasingly shared learning. While originally considered a challenge to a continued

regional approach to financial sector development, the sharing of experiences and best practices in financial sector development are in great demand throughout the EandE region, as financial sector participants continue to learn of each others' experiences in European Union succession, training center development, and unification of financial supervisory agencies, for example, while increasing their collaboration and dialogue on a regional basis, thereby strengthening regional financial stability.

Program Element Performance \ 4 Economic Growth \ 4.3 Financial Sector \ 4.3.1 Financial Sector Enabling Environment

In FY07, USG resources supported the harmonizing of financial markets and related laws/regulations, policies and practices across the EandE region through a regional approach to the adoption of international standards and formation of cross-border relationships. A wide range of assistance was provided in collaboration and cost-share with private and public financial sector institutions. In Southeast Europe (SEE) and Eurasia, 589 financial sector participants attended 22 technical workshops on international standards in information technology audit and internal audit of banks; research on financial crime in banking; prevention of money laundering; improving bank outreach and credit to small and medium-sized enterprises; reporting on environmental, social and governance issues; investor relations; insurance supervision; and insider trading. 69 students and faculty at universities in the SEE region were trained on case study writing and corporate governance. 3 members of the Kosovo Bankers Association co-financed a study tour to the Warsaw Institute of Banking to improve their bank training program and 3 representatives of the Association of Actuaries in Kazakhstan visited the Polish association to develop a concept of a regional actuarial school for Central Asia.

With USG support, 43 individuals from seven countries were certified in international standards related to accounting, including certification in insurance supervision and fraud, internal audit of central banks, and small and medium-sized enterprise business plan analysis.

As a result, best practices in international standards were identified and, through experience-sharing, demand-driven regional workshops, disseminated to financial sector practitioners, promoting increased regional financial sector integration. As a result, SEE continues to make progress in corporate disclosure, Croatia adopted a corporate governance code, several universities in SEE made requests for case study writing workshops, and demand for workshops on internal audit of banks, corporate governance, investor relations, and insurance supervision continues to grow. These requests, and workshop and country-wide evaluations, will guide programming in FY08.

USG resources in the financial sector promote gender neutrality, reporting on the gender makeup of management and board member structures of the top companies in SEE and ensuring that there is balanced gender representation at workshops and seminars.

Element Indicator Narrative \ 4 Economic Growth \ 4.3 Financial Sector \ 4.3.1 Financial Sector Enabling Environment

USG resources in FY07 trained 589 financial sector participants, including 99 financial sector supervisors. Participants from professional associations, including banking associations, were not included in the count of financial sector supervisors. The majority of the 22 workshops on best practices in international standards were planned for financial sector practitioners, and not all practitioners are also supervisors.

With USG support, 43 individuals were certified in international standards related to accounting, including 10 on insurance supervision and fraud and 11 on internal audit of central banks through the Center for Financial Excellence, Slovenia (a USAID legacy institution), 12 on small and medium-sized enterprise business plan analysis and 10 on internal audit of central banks through a cost-shared grant to the Association of Montenegrin Banks conducted by the Warsaw Institute of Banking (also a USAID legacy institution).

Program Area Performance \ 4 Economic Growth \ 4.4 Infrastructure

Energy security increased in importance as concerns mounted over the high dependence and questionable reliability of Russian energy supplies as well as the higher international oil and gas prices. With USAID and other donor support, the Energy Community, created by the Athens Treaty, continued to develop as a regional institution. The Energy Community Secretariat was legally chartered as an "public international organization" in Vienna. The Energy Community Regulatory Board was formally constituted and its first President elected. The Council of Ministers gave positive support for the full membership of Moldova and Ukraine in the Energy Community. Georgia applied for observer status. Major focus was placed on enhancing investment and creating the conditions for more transparent trade. Countries continued to make progress in adopting EU energy, competition and environment directives as required by the Athens Treaty. Countries put forward key projects in electricity and gas and a process was established to determine priority projects of regional significance. A dialogue was initiated with international investors and financial institutions. Countries of the Black Sea agreed to further cooperation in a Phase II project to promote investment in regional electricity transmission system development.

Program Element Performance \ 4 Economic Growth \ 4.4 Infrastructure \ 4.4.1 Modern Energy Services

Progress achieved in FY2007 through the Infrastructure Program included: 1) Electricity Market Development: Legal due diligence on the Central Auction Office for Southeast Europe was completed and the pilot market monitoring project identified market impediments needed for further development of the CAO. 2) Regulatory Development: Establishment of the Energy Community Regulatory Board (ECRB) in Southeast Europe (SEE) was a major accomplishment supported by USAID technical assistance. Tariff benchmarking identified price reforms needed for the development of competitive markets and attracting investment. Further implementation is the challenge. There were 198 trained in the Energy Regulators Regional Association (ERRA) training programs resulting in stronger regulatory institutions. 3) Investment: Support for SEE transmission planning resulted in the identification and prioritization of 10 investment projects by 2010 needed to develop a competitive electricity market with a required investment of over \$350 million. Assistance has been provided for the first comprehensive energy demand assessment and forecast on national and regional needs for estimating future investment requirements. The Black Sea Transmission Planning assistance has similarly identified potential investment projects but has not yet prioritized them. 4) Energy Efficiency Policy and Practices: The Regional Urban Heating Policy Assessment was disseminated and a workshop held to facilitate commercially viable heat sectors through policy reform, increased investment and better service. A regional assessment of Urban Housing Utility Affordability was done and disseminated. It showed how residential energy efficiency can reduce energy costs to the poor and be another social safety net tool. The challenge is to get governments and donors to augment their social strategies. A residential energy efficiency demonstration in Albania was completed. 5) Energy efficiency Financing: A DCA facility was approved with two Macedonia lenders, providing up to \$10 million in available project financing. The results can help improve municipal financial position and improve the

delivery of health, education, and public safety was approved with two Macedonia lenders, providing financing. The results can help improve municipal financial position and improve the delivery of health, education and public safety.

Element Indicator Narrative \ 4 Economic Growth \ 4.4 Infrastructure \ 4.4.1 Modern Energy Services

4.4.1: The proper unit is tons of CO2 equivalent reduced. The result represents methane recovery from a Ukrainian coal mine, successfully meeting our target (note: the FY07 target inappropriately attempt to convert the measurement unit to KWh. Next year there will be an allowable measurement unit of tons of CO2 reduced under 4.8.2). FY07 technical trainees represent participants in Regional Energy Demand Planning, the Southeast Europe Regional Transmission and Black Sea Regional Planning. FY08 technical trainee target represents the addition of new countries to Regional Energy Planning and continued transmission planning in Southeast Europe and the Black Sea regions, including on energy efficiency. The focus on investment leveraging will be on the Black Sea. The \$350 million dollars leveraged actual in FY07 is for 10 priority transmission projects in Southeast Europe. Under the NARUC Cooperative Agreement, 198 people received regulatory training and the new courses in FY08 will probably increase this number.

Program Area Performance \ 4 Economic Growth \ 4.6 Private Sector Competitiveness

Private sector competitiveness is a requirement for economic growth, as an increase in competitiveness improves productivity, leads to job creation and increases per capita income. Competitiveness projects promote productivity at the individual, firm, industry, region and country levels. USG FY07 resources promoted increased competitiveness through an annual competitiveness event attended by USAID project officers and economic growth and competitiveness projects, an 18-month certification course on international performance standards for firms from Southeast Europe and Armenia, the launching of a pilot program targeting high growth entrepreneurs in direct peer-to-peer mentoring in Slovenia and Romania, and trainings for customs agents responsible for removing trade barriers in their respective countries under the Southeast Europe Trade Agreement.

These competitiveness-focused activities have led to 1190 firms receiving assistance to improve their management practices, 260 firms receiving support to invest in improved technologies, 20 public-private dialogue mechanisms utilized and 200 new members in private business associations.

In addition, USG resources have supported 152 firms to participate in firm-level training on international performance standards, including productivity and process improvement methodology, to improve their efficiency, profitability, and make them a desirable partner for larger companies. Surveys of a sample of companies that completed this 18-month certification process show that firms that adopt these performance standards realize almost immediate productivity improvements of 60% or more.

FY07 resources also supported the launch of a pilot program targeting high growth small and medium-sized enterprise (SME) entrepreneurs in direct peer-to-peer mentoring in Slovenia and Romania. Over 900 SME entrepreneurs received training and over 3000 received services at 20 networking events with SME entrepreneurs, lenders, local government officials, and non-governmental organizations.

These trainings and networking meetings promote regional integration through market access events, trainings, and the sharing of best practices. This has resulted in firms and industries gaining access to expand markets and improving their productivity and encouraged necessary improvements in the operating

and policy environment at the regional and country levels.

Program Element Performance \ 4 Economic Growth \ 4.6 Private Sector Competitiveness \ 4.6.2 Private Sector Productivity

USG resources in FY07 promoted multi-country cooperation at the mission, project, and firm levels to increase the impact of competitiveness initiatives in countries on a regional basis. An annual competitiveness event was held which was attended by USAID project officers and economic growth and competitiveness projects from 9 countries. All parties expressed interest in sharing best practices and cooperating regionally in three subject areas: agriculture, information technology (IT), and cross-border trade facilitation. As a result, USG resources supported the development of a regional database of agricultural production companies to facilitate the ability of individual firms to find partners in other countries. This enlarges the value chain – from producer to processor to sales agent – increasing the ability of companies to meet market demand and satisfy the requirements of large-scale buyers.

USG resources also provided firm-level training to 152 firms from Southeast Europe and Armenia in an 18-month long program on international performance standards (CMM/IT Mark) to improve their efficiency and profitability. Surveys of a sample of companies that adopt these performance standards realize almost immediate productivity improvements of 60% or more. These trainings are conducted in collaboration with country-specific IT associations, which recently created a regional association to promote its members as locations of software development to the European Union.

In FY07, the USG promoted the competitiveness of small and medium-sized enterprises (SME) through the launching of a pilot program targeting high growth entrepreneurs in direct peer-to-peer mentoring in Slovenia and Romania. Over 900 SME entrepreneurs received training and over 3000 received services at 20 networking events with entrepreneurs, lenders, local government officials, and non-governmental organizations.

Under the new Southeast Europe Trade Agreement, companies have decreased barriers to cross-border trade. USG resources in FY07 facilitated two trainings for participating customs agents responsible for removing trade barriers in their respective countries. Cross-border relationships were formed, improving the ability of customs agencies to identify and remove barriers, and resulting in increased trade.

Element Indicator Narrative \ 4 Economic Growth \ 4.6 Private Sector Competitiveness \ 4.6.2 Private Sector Productivity

USG resources provided firm-level training to 152 firms from Southeast Europe and Armenia on international performance standards, including productivity and process improvement methodology, to improve their efficiency, profitability, and make them a desirable partner for larger companies. Surveys of a sample of companies that completed this 18-month certification process show that firms that adopt these performance standards realize almost immediate productivity improvements of 60% or more.

FY07 resources also supported the launch of a pilot program targeting high growth small and medium-sized enterprise (SME) entrepreneurs in direct peer-to-peer mentoring in Slovenia and Romania. Over 900 SME entrepreneurs received training and over 3000 received services at 20 networking events with SME entrepreneurs, lenders, local government officials, and non-governmental organizations. The relevant indicator ‘number of public-private dialogue mechanisms utilized’ was misunderstood to mean participants

in dialogues. This misunderstanding has been corrected and the indicator target changed for FY08.

The indicator 'number of new members in private business associations' was not met, as the private business associations were slow to start up, therefore the indicator for FY08 was lowered to reflect this result.

Targets for firm-level assistance in management and technology were exceeded and therefore indicator targets for FY08 were increased.

Program Area Performance \ 4 Economic Growth \ 4.8 Environment

To prevent problems in achieving sustainable Economic Growth, and international conflicts and tensions from becoming unmanageable, this program provides leadership and oversight relating to natural resources, and the environmental management, and by working extensively with host countries achieves environmentally sound development. It helps us strengthen country capacity to effectively evaluate the potential environmental effects of proposed country strategies and projects, and to select and implement and manage environmentally sound and compliant activities. If deemed necessary, our programs will be re-designed and implemented for the foreseeable future, and over a 5-year period to respond to market demands and pressures.

Program Element Performance \ 4 Economic Growth \ 4.8 Environment \ 4.8.3 Program Support (Environment)

Through program support, E&E Bureau Environmental Officer (BEO) Compliance Unit provides leadership and review of environmental compliance documents for Missions to be able to obligate necessary funds for programs, get approval of Mission Strategy per FAA 119 requirements, design environmentally sound programs, identify environmental effects of activities, prepare/implement mitigation and monitoring plans. Staff designs and implements training of Mission, host country and implementer personnel. The BEO Unit staff support and often co-chair high-level interagency working groups on special environmental initiatives and issues. Staff attends Donor/IFI meetings of Black Sea Danube Basin countries, and East European, Caucasus, and Central Asian countries. The other activities include BEO coordination and oversight with field based implementation and buy-in.

Program Area Performance \ 5 Humanitarian Assistance \ 5.1 Protection, Assistance and Solutions

The Nagorno Karabakh (NK) conflict created hundreds of thousands of refugees and internally displaced persons. The population in NK lives in very difficult circumstances, defined by the physical destruction that took place during the conflict, disruption of normal economic activities, and breakdown of social service mechanisms. Recognizing the suffering resulting from the NK conflict, and at the discretion of the U.S. Congress since 1998, the USG has provided subsistence-level humanitarian assistance to victims of the conflict residing in NK. The purpose of this assistance is to meet the basic needs of the target population in NK in the areas of shelter, health and water sanitation. The provision of humanitarian assistance to residents in NK is critical to minimizing the adverse economic and social consequences of the conflict and fostering peace and security.

Achievements in FY07 are in the areas of shelters, health services and water and sanitation, primarily in rural areas of NK through renovations and upgrades and are fully explained in the Program Element section. Health infrastructure is benefiting both from physical renovations and from provision of medical supplies,

equipment and trainings for rural medical personnel. The longer term goal of this component is to develop the capacity of local health providers.

Ultimately, efforts will provide citizens with decent living conditions, better primary health services in rural areas for women, children and the elderly, increased water supply and better sanitation.

Program Element Performance \ 5 Humanitarian Assistance \ 5.1 Protection, Assistance and Solutions \ 5.1.2 Assistance and Recovery

The USG provides subsistence-level humanitarian assistance to victims of the Nagorno-Karabakh (NK) conflict residing in NK, based on the needs of these victims and in response to U.S. Congressional directives. This assistance is critical to meeting the basic health, water and shelter needs of the NK population. Close to 150 villages and towns in NK were damaged, more than 1,100 private homes and 226 multi-story residential buildings (in total constituting more than 60% of all pre-conflict housing) were completely or partially destroyed. Seventeen clinics, more than 70 first-aid stations, nearly 200 educational institutions, 121 theaters, museums, cultural centers and village culture clubs, and over 500 other social or economic facilities were also destroyed. To restore basic human living quarters and services, the USG is supporting housing and school repairs, primary health care, and potable water and sanitation. By the end of this work in 2008, the USG aims to complete the provision of 50% of the health, 40% of water and sanitation and 40% of shelter needs of the current NK resident population.

To this end, the renovation and/or reinforcement of houses, renovation of rural health posts (with provision of heating, furniture, equipment and pharmaceutical supplies) and upgrading of potable water and irrigation systems were carried out in FY07. Training in primary healthcare for all regions and targeted health facilities was also provided.

The main achievements in FY07 were in the areas of shelter, potable water and sanitation, and primary health in rural areas of the Mardakert and Hadrut regions. More specifically, a total of 83 shelters were renovated and handed over to 440 beneficiaries in two regions, and four water systems were upgraded and handed over to communities in two regions.

In the area of health training, a total of 85 medical personnel countrywide, including 11 doctors and 74 nurses, received Integrated Management of Childhood Illnesses clinical training. In addition, medical equipment and supplies were purchased and distributed to 20 rural health posts in Askeran, nine in Mardakert, and five in Hadrut.

Element Indicator Narrative \ 5 Humanitarian Assistance \ 5.1 Protection, Assistance and Solutions \ 5.1.2 Assistance and Recovery

The dollar-dram (local currency) depreciation affected the contractor's ability to deliver the services and goods and a fewer number of households were reached than expected.

The target (a percentage) for FY08 has been increased, however, as the absolute number of disaster-affected households is lower than originally estimated. Thus, with a lower number of potential beneficiary households to work with no change in the absolute number of households the program can reach, the Program can now provide for a higher percentage with the same amount of resources.

Key Issue Performance \ Reducing gender based violence and exploitation

For FY 2007, the ST team designated reducing gender based violence and exploitation as a key issue. During this period, the Team's implementing partner, Creative Associates International, produced an analytical report investigating the links between trafficking in persons (TIP) and domestic violence ("Examining the Intersection Between Trafficking in Persons and Domestic Violence"). This report revealed that domestic violence (DV) may act as a push factor that ultimately results in trafficking, presented an overview of services for victims of DV and TIP in the region, and made recommendations as to how services for both groups could be improved. In FY07, this report along with a report that was produced in FY06 ("Domestic Violence in Europe and Eurasia") were distributed to USG and mission staff, regional think tanks and libraries, interested target groups, and development partners. The reports were used in the formulation of the 2008 staff training workshop agenda. These products are expected to refine and improve E&E Mission programming that addresses TIP and/or DV and should create greater cost efficiencies in these programs.

Key Issue Performance \ Local Organization Capacity Development

USG resources in FY07 assisted firms in the information/communication technology industry to compete more effectively in the international market through training and certification. In addition, over 900 small and medium-sized enterprise entrepreneurs received training and advisory services to grow their enterprises.

USG assistance facilitated a model-partnership program of institutional mentoring in which leading international and regional partners, as mentors, helped less developed local professional associations through two pilot projects, one in Moldova and one in Kosovo, build the capacity to close gaps with international standards of financial transparency and accountability. Similar technical assistance was also provided to the regional professional federation – SEEPAD, the South Eastern European Partnership on Accountancy Development.

In addition, USG resources worked to promote the capacity of associations, economic faculties/universities, finance ministries, judicial authorities, regional financial sector groups, regulatory authorities, and research institutes in the areas of international standards in internal audit of banks; research on financial crime; prevention of money laundering; and improving credit to small and medium-sized enterprises.

Key Issue Performance \ Trafficking in Persons

The desk top study "Examining the Intersection between Trafficking in Persons and Domestic Violence", analyzes the literature on the relationships between a prior experience of domestic violence and vulnerability to TIP for purposes of prevention programming. In addition, it explores appropriate victim-centered responses and best practices/lessons learned from TIP and DV shelters and service providers which do or do not serve both populations. This study grew out of the interest expressed by several missions interested in whether and how service providers serve and target both populations. The researcher engaged with an informal team studying the linkages between DV and TIP, as well as actors throughout the region, in conducting the research. Many publications cite domestic violence as a root cause for trafficking in persons without presenting the evidence. This study improves the understanding of the evidence that currently exists on the complex and compelling connections between the two issues. Finally, this research will help missions to develop more cost effective programming in anti-TIP that may also facilitate

programming directed at domestic violence. The first phase of this study was completed in FY 2007 and distributed to missions in 20 countries and to over 100 anti-TIP actors. It was also presented at the ST Health workshop. The second phase field assessment and survey of service providers is scheduled for completion in FY 2008.

Key Issue Performance \ Anti-Corruption

Corruption in education has been recognized as a major force that undermines quality of education and equitable access to schooling. A Corruption in Education study conducted in FY 2007 reviewed major scholarly works produced in the past decade that address different aspects of corruption in education and its effects. The study validated the premise that there is no comprehensive framework and/or model to quantify the effects of corruption in education sector on a country's economic development. It discusses possible scenarios for the next steps of developing analytical frameworks and collecting the required data. The recommendations contributed to improvements in current project designs and will serve as the basis for discussion among USAID operating units (Washington and field) and other organizations and researchers (WB, UNESCO).

USG resources in FY07 funded workshops in Southeast Europe on research on financial crime in banking and prevention of money laundering. In addition, USG programming encouraged corporate disclosure of companies and improved internal audit of banks, both of which decrease the incentive for corruption to occur in the private sector and in the banking system.

Key Issue Performance \ Trade Capacity Building

Under the new Southeast Europe Trade Agreement, companies have decreased barriers to cross-border trade. USG resources in FY07 facilitated trainings for participating customs agents responsible for removing trade barriers in their respective countries. Cross-border relationships were formed, improving the ability of customs agencies to identify and remove barriers, and resulting in increased trade.

To promote cross-border trade and workforce mobility, USG assistance in FY07 also supported the launch of a market demand and supply survey aimed at identifying the obstacles that must be addressed to cure the critical shortage of professional accountants and auditors worldwide and open up new employment opportunities for accountants and auditors in transition countries with the requisite professional credentials and skills. This study will encompass practice mobility – the ability for professionals in transition countries to meet market demands by moving across borders to work in countries where there are significant supply gaps.

USAID assistance to the Athens Energy Community is creating regional mechanisms (market monitoring, regulatory reporting, uniform accounting) to improve transparency and enable trading of electricity and gas among the countries of Southeast Europe and with the western European grid.

Key Issue Performance \ Clean Energy

Activities that address GCC, and the progress achieved in FY 2007, are as follows:1) Instructing energy planners to conduct energy demand planning to provide input on needed energy supply. Results: reference

case scenarios and some alternative scenarios were developed for countries in Southeast Europe. 2) Examining policy reforms and commercial practices leading to more efficient production, distribution, and use of heat. Results: The Regional Urban Heating Policy Assessment was completed, disseminated, and a workshop was held. 3) Examining affordability and social safety net approaches associated with utility services through residential energy efficiency. Results: the regional assessment, Addressing Affordability of Utility Services in Urban Housing: Energy Efficiency Solutions was completed and disseminated; a residential energy efficiency demonstration project in Albania was completed. 4) Promoting and leveraging financing for energy efficiency. Results: A DCA facility was approved with two Macedonia lenders, providing up to \$10 million in available project financing. 5) Developing the regional frameworks and institutional capacities essential to improved performance of energy utilities and enhanced trade and investment. Results: Implementation and capacity building with the Regional Regulatory Board. 6) Assistance to regulators was provided through ERRA and regulatory partnerships with the US. 7) Phase I of Transmission planning in Black Sea region was completed.

Key Issue Performance \ Global Climate Change

Activities that address GCC, and the progress achieved in FY 2007, are as follows: 1) Instructing energy planners to conduct energy demand planning to provide input on needed energy supply. Results: reference case scenarios and some alternative scenarios were developed for countries in Southeast Europe. 2) Examining policy reforms and commercial practices leading to more efficient production, distribution, and use of heat. Results: The Regional Urban Heating Policy Assessment was completed, disseminated, and a workshop was held. 3) Examining affordability and social safety net approaches associated with utility services through residential energy efficiency. Results: the regional assessment, Addressing Affordability of Utility Services in Urban Housing: Energy Efficiency Solutions was completed and disseminated; a residential energy efficiency demonstration project in Albania was completed. 4) Promoting and leveraging financing for energy efficiency. Results: A DCA facility was approved with two Macedonia lenders, providing up to \$10 million in available project financing. 5) Developing the regional frameworks and institutional capacities essential to improved performance of energy utilities and enhanced trade and investment. Results: Implementation and capacity building with the Regional Regulatory Board. 6) Assistance to regulators was provided through ERRA and regulatory partnerships with the US. 7) Phase I of Transmission planning in Black Sea region was completed .

Key Issue Performance \ Applied Research

E&E Regional funds were provided to the CDC to conduct drug resistance tuberculosis surveys in Russia and Albania. Preparatory activities were conducted to ensure the effective implementation of this project in FY08. The 5th Annual Health and Vulnerability Analysis was completed identifying those countries in the region where health status is the poorest and where the transition to democracy and free-market economies may be most vulnerable because of health factors. This provides USG policymakers and USAID staff an overview of health status across 28 countries and vulnerability. Funds supported the development of a multi-indicator quantitative benchmarking tool based on a comprehensive set of international standards of financial transparency and accountability. The conceptual framework for the benchmarking index was developed in FY07 and the index itself will be unveiled in FY08. A study of the learning preferences and needs of Agency staff and on knowledge sharing priorities was conducted for the October 2007 Investing in People (IIP) workshop. These efforts produced a year-long strategy for disseminating Social Transition information and a new intranet design, which will result in meeting the knowledge sharing needs that were identified. Applied research activities (in the areas of education, child welfare, and the status of Roma)

addressed specific programming needs and information gaps, and facilitated documentation of the impact of model programs in close out countries.

Key Issue Performance \ Inclusive Development: Participation of People with Disabilities

For FY07, the ST Team designated inclusive development as a key issue. During this period, the Team's implementing partner, Creative Associates International delivered an analytical product ("Improving Use of Information on Disability and Related Social Services in E&E"). The purpose of this report was to increase knowledge about the prevalence and causes of disability in the E&E region, reduce stigma and discrimination against the disabled, and ultimately, facilitate a decrease in the frequency with which disabled people are institutionalized. This report was used in the formulation of the 2008 staff training workshop agenda and the information contained in it was disseminated to a wide audience at the workshop. The report was also distributed to offices at USAID that provide funding for programs that tackle issues related to disability.

In FY 2008, this report will be supplemented with tables of data documenting the numbers of children and adults with disabilities in each E&E country and will be distributed to USG and mission staff, regional think tanks and libraries, interested target groups, and development partners. This report is expected to result in improved E&E Mission programming that addresses disabilities and to increase awareness of this issue in a wide variety of key stakeholders.

Key Issue Performance \ Public-Private Partnerships

USG assistance contributed directly to the formation of two public-private partnerships with the international accounting and auditing firms of Ernst & Young and Deloitte. Each multi-national firm has agreed to provide training assistance and materials that significantly leverage USG funds and benefit less developed professional associations and their public and private sector members.

In addition, USG FY07 resources supported linkages and increased dialogue between financial sector supervisory authorities, accounting/audit associations, central banks, commercial banking associations, economic faculties/universities, finance ministries, judicial authorities, regional financial sector groups, regulatory authorities, and research institutes.

DCA agreements were obligated in FY07 with UNIBank and NLB leasing to leverage \$10 million in commercial financing for municipal and residential energy efficiency projects in Macedonia.

A GDA grant was awarded to EnCon Services to promote Methane-to-Markets project investment in Russia and Ukraine. Another grant to EnCon will develop landfill methane recovery projects in Ukraine.

USAID support to the Athens Energy Community includes working with US energy companies on investment opportunities in Southeast Europe and systems for improved electricity trading.

Under the USEA partnership, US utility executives are donating their time to help in utility reform efforts in Kosovo, Albania, and Croatia.

1 Peace & Security - Europe Regional

1.3 Stabilization Operations and Security Sector Reform\1.3.4 Explosive Remnants of War (ERW)

Square kilometers of de-mined land returned to productive use with USG assistance

	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
		3.5	3	3.4	-

1.3 Stabilization Operations and Security Sector Reform\1.3.4 Explosive Remnants of War (ERW)

Number of civilians provided mine risk education

	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
		13,750	20,743	12,000	-

1.3.4 Explosive Remnants of War (ERW) narrative (no more than 1500 characters)

The FY07 result for the indicator “square kilometers of de-mined land returned to productive use with USG assistance” was slightly lower than anticipated due to the dollar – dram (local currency) depreciation, which affected the implementing partner’s capacity to reach the set targets with the same amount of resources.

The number of civilians that the program planned to reach in training far exceeded the target set due to the an underestimation of the popularity of this program.

2 Governing Justly & Democratically - Europe Regional

2.2 Good Governance\2.2.6 Program Support (Governance)

Number of information gathering or research activities

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
9	1	1	1	1

1 chars

2.2.6 Program Support (Governance) narrative (no more than 1500 characters)

2.4 Civil Society\2.4.3 Program Support (Civil Society)

Number of information gathering or research activities

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
14	2	2	2	2

1 chars

2.4.3 Program Support (Civil Society) narrative (no more than 1500 characters)

3 Investing in People - Europe Regional

3.1 Health\3.1.1 HIV/AIDS

Number of information gathering or research activities

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
4	1	1	3	5

3.1 Health\3.1.1 HIV/AIDS

Number of local organizations provided with technical assistance for HIV-related institutional

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	-	-	5	

1333
chars

3.1.1 HIV/AIDS narrative (no more than 1500 characters)

FY07 indicator for information gathering or research activities was accomplished by a 3 week / 5 country program implementation assessment of the CAPACITY Project in Central Asia which resulted in recommendations for changes in programmatic structure and implementation and led to the replacement of the Institutional Capacity Building Project by the Substitution Therapy Policy Project (reflected in FACTS). FY08 indicator for information gathering or research activities includes one activity for Roger Drew, one Program Design and Learning activity and 3 activities for the Substitution Therapy Policy Project including a literature review, key informant interviews and solicitation of stakeholder feedback. The FY08 indicator of number of information gathering or research activities was increased to take into account the new project's activities. Institutional capacity building indicators are null now with the addition of the new project and have been shifted to the number of local organizations provided with technical assistance for HIV related policy development (reflected in FACTS). FY08 funds will be used to assist 10 local organizations with HIV related policy development. Please note that program design and learning activities referenced under HIV/AIDS are the same as those detailed under other elements.

ements.

3.1 Health\3.1.2 Tuberculosis

Number of information gathering or research activities

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	-	-	5	3

681

3.1.2 Tuberculosis narrative (no more than 1500 characters)

chars

One target for FY08 pertains to the program design and learning activity and will remain unchanged in the revised target. However, the target was lowered for the MDRTB surveys from four countries to two countries due to budget constraints. The actual cost of conducting the surveys was higher than original estimates provided by CDC which necessitated a reduction in the number of countries participating, and therefore FY08 targets. No targets were set for FY07 due to the lengthy preparation time for the implementation of the surveys in countries. Please note that program design and learning activities referenced under TB are the same as those detailed under other elements.

3.1 Health\3.1.5 Other Public Health Threats

Number of information gathering or research activities

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	-	-	3	3

3.1 Health\3.1.5 Other Public Health Threats

Number of institutions with improved Management Information Systems, as a result of USG Assistance

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	-	-	3	3

1322

3.1.5 Other Public Health Threats narrative (no more than 1500 characters)

chars

The Program, Learning and Design activities will be accomplished in FY 2008 and will contribute to the number of information gathering or research activities target. DGST transferred funds to WHO/EURO in FY 2007 to support the creation of a regional NIS network for producing national health accounts (NHA). The activity will conduct one major training workshop over three days with up to 50 participants; award three analytical studies among the participants that they will present at the workshop, and produce a plan for continued collaboration. The project will strengthen the capacity of at least three host government institutions to produce NHA. This assistance is essential to analyzing Maternal and Child Health (MCH), Reproductive Health and Family Planning (RH/FP), and Other Public Health Threats (OPH) and other health expenditures, enhancing senior-level decision making capabilities. NHA has proven its value and utility in guiding decisions that lead to more efficient, effective, and equitable health care systems. Ultimately, these improvements lead to more healthful, productive, and stable populations. Please note that activities referenced under OPH are the same as those detailed under MCH and that Program Design and Learning activities are the same as those detailed under other elements.

3.1 Health\3.1.6 Maternal and Child Health

Number of information gathering or research activities

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	-	-	2	2

3.1 Health\3.1.6 Maternal and Child Health

Number of institutions with improved Management Information Systems, as a result of USG Assistance

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	-	-	3	3

1324
chars

3.1.6 Maternal and Child Health narrative (no more than 1500 characters)

The Program, Learning and Design activities will be accomplished in FY 2008 and will contribute to the number of information gathering or research activities target. DGST transferred funds to WHO/EURO in FY 2007 to support the creation of a regional NIS network for producing national health accounts (NHA). The activity will conduct one major training workshop over three days with up to 50 participants; award three analytical studies among the participants that they will present at the workshop, and produce a plan for continued collaboration. The project will strengthen the capacity of at least three host government institutions to produce NHA. This assistance is essential to analyzing Maternal and Child Health (MCH), Reproductive Health and Family Planning (RH/FP), and Other Public Health Threats (OPH) and other health expenditures, enhancing senior-level decision making capabilities. NHA has proven its value and utility in guiding decisions that lead to more efficient, effective, and equitable health care systems. Ultimately, these improvements lead to more healthful, productive, and stable populations. Please note that activities referenced under MCH are the same as those detailed under OPH and that Program Design and Learning activities are the same as those detailed under other elements..

3.1 Health\3.1.7 Family Planning and Reproductive Health

Number of information gathering or research activities

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	2	2	4	4

3.1 Health\3.1.7 Family Planning and Reproductive Health

Number of institutions with improved Management Information Systems, as a result of USG Assistance

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	-	-	3	3

1323 3.1.7 Family Planning and Reproductive Health narrative (no more than 1500 characters)
chars

The FY07 target for number of information gathering or research activities was met through the E&E Regional Family Planning Initiative. Additional Program, Learning and Design activities will be accomplished in FY 2008 and will also contribute to the number of information gathering or research activities FY08 target. DGST transferred funds to WHO/EURO in FY07 to support the creation of a regional NIS network for producing national health accounts (NHA). The activity will conduct one major training workshop over three days with up to 50 participants; award three analytical studies among the participants that they will present at the workshop, and produce a plan for continued collaboration. The project will strengthen the capacity of at least three host government institutions to produce NHA. This assistance is essential to analyzing Maternal and Child Health (MCH), Reproductive Health and Family Planning (RH/FP), and Other Public Health Threats (OPH) and other health expenditures, enhancing senior-level decision making capabilities. NHA has proven its value and utility in guiding decisions that lead to more efficient, effective, and equitable health care systems. Please note that Program Design and Learning activities referenced under FP/RH are the same as those detailed under other elements.

3.1 Health\3.1.8 Water Supply and Sanitation

Number of people in target areas with access to improved drinking water supply as a result of USG assistance

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	number of women					number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	5,000	-	20,000	25,000	-	-	-	-	-	-	-	-	-	-

594 3.1.8 Water Supply and Sanitation narrative (no more than 1500 characters)
chars

This target was largely based on anticipated progress in Montenegro as the country implemented reforms in the water and sanitation sector policy environment. The Montenegrin Council of Ministers adopted a far-reaching action plan prepared with USAID assistance during Spring 2007 but the GOM was unable to secure pledges of additional donor assistance for its implementation until recently. USAID will be partnering with some of these donors (the European Agency for Reconstruction and the Italian Ministry of Environment) to implement portions of the plan during FY08 using pipeline funds.

3.3 Social and Economic Services and Protection for Vulnerable Populations\3.3.1 Policies, Regulations, and Systems

Number of information gathering or research activities

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	1	1	1	3

3.3 Social and Economic Services and Protection for Vulnerable Populations\3.3.1 Policies, Regulations, and Systems

Number of special studies

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	2	2	2	2

**224 3.3.1 Policies, Regulations, and Systems narrative (no more than 1500 characters)
chars**

In reference to the indicator number of information gathering or research activities: To best support rollout of FAF, the number of information gathering or research activities has been increased from one to three for FY08.

4 Economic Growth - Europe Regional

4.1 Macroeconomic Foundation for Growth\4.1.1 Fiscal policy

Percent of necessary preconditions for a successful Fiscal Policy Unit (FPU) established

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	50	50	75	-

928
chars

4.1.1 Fiscal policy narrative (no more than 1500 characters)

The USG met its target in FY07, establishing 50% of the necessary pre-conditions for a successful Fiscal Policy Unit (FPU). At the beginning of CY07, 10 preconditions were identified and by year end, targets were met as resources supported the achievement of 5 of the 10 preconditions.

USG resources piloted demonstration projects in FY07 in the Republic of Moldova and the province of Kosovo. Gaps in compliance with international benchmarks were identified through a uniform questionnaire; a Memorandum of Understanding (MOU) was executed with partner mentoring organizations to provide necessary technical assistance; three-year action plans were prepared to address compliance gaps; the plans began to be implemented; and a model monitoring and evaluation system was established. The program leveraged USG resources by partnering ('twinning') with advanced Western European institutions to provide technical assistance.

4.3 Financial Sector\4.3.1 Financial Sector Enabling Environment

Number of financial professionals certified in compliance with international accounting standards as a result of USG assistance

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	Number of women					Number of men					
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	
20	20	43	20	-	-	-	23	-	-	-	-	-	21	-	-

4.3 Financial Sector\4.3.1 Financial Sector Enabling Environment

Number of financial sector supervisors trained with USG assistance

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	Number of women					Number of men					
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	
430	150	99	150	-	-	-	52	-	-	-	-	-	47	-	-

4.4 Infrastructure\4.4.1 Modern Energy Services

**Total public and private dollars leveraged by USG
for energy infrastructure projects**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
150,000	100,000,000	350,000,000	200,000,000	200,000,000

**1032
chars**

4.4.1 Modern Energy Services narrative (no more than 1500 characters)

4.4.1: The proper unit is tons of CO2 equivalent reduced. The result represents methane recovery from a Ukrainian coal mine, successfully meeting our target (note: the FY07 target inappropriately attempt to convert the measurement unit to KWh. Next year there will be an allowable measurement unit of tons of CO2 reduced under 4.8.2). FY07 technical trainees represent participants in Regional Energy Demand Planning, the Southeast Europe Regional Transmission and Black Sea Regional Planning. FY08 technical trainee target represents the addition of new countries to Regional Energy Planning and continued transmission planning in Southeast Europe and the Black Sea regions, including on energy efficiency. The focus on investment leveraging will be on the Black Sea. The \$350 million dollars leveraged actual in FY07 is for 10 priority transmission projects in Southeast Europe. Under the NARUC Cooperative Agreement, 198 people received regulatory training and the new courses in FY08 will probably increase this number.

4.6 Private Sector Competitiveness\4.6.2 Private Sector Productivity

Number of firms receiving USG assistance to invest in improved technologies

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
100	100	267	120	300

4.6 Private Sector Competitiveness\4.6.2 Private Sector Productivity

Number of firms receiving USG assistance to improve their management practices

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
1,600	870	1,190	1,150	1,365

4.6 Private Sector Competitiveness 4.6.2 Private Sector Productivity

Number of public-private dialogue mechanisms utilized as a result of USG assistance

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
300	400	20	500	25

1459
chars

4.6.2 Private Sector Productivity narrative (no more than 1500 characters)

USG resources provided firm-level training to 152 firms from Southeast Europe and Armenia on international performance standards, including productivity and process improvement methodology, to improve their efficiency, profitability, and make them a desirable partner for larger companies. Surveys of a sample of companies that completed this 18-month certification process show that firms that adopt these performance standards realize almost immediate productivity improvements of 60% or more.

FY07 resources also supported the launch of a pilot program targeting high growth small and medium-sized enterprise (SME) entrepreneurs in direct peer-to-peer mentoring in Slovenia and Romania. Over 900 SME entrepreneurs received training and over 3000 received services at 20 networking events with SME entrepreneurs, lenders, local government officials, and non-governmental organizations. The relevant indicator 'number of public-private dialogue mechanisms utilized' was misunderstood to mean participants in dialogues. This misunderstanding has been corrected and the indicator target changed for FY08.

It.

Targets for firm level assistance in management and technology were exceeded and therefore indicator targets for FY08 were increased.

4.8 Environment 4.8.3 Program Support (Environment)

Number of people trained in monitoring and evaluation

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
320	160	-	180	-

4.8 Environment 4.8.3 Program Support (Environment)

Number of special studies

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
7	6	-	5	-

1 chars

4.8.3 Program Support (Environment) narrative (no more than 1500 characters)

5 Humanitarian Assistance - Europe Regional

5.1 Protection, Assistance and Solutions\5.1.2 Assistance and Recovery

Percent of disaster-affected households provided with basic inputs for survival, recovery or restoration of productive capacity

	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
		8.3	6	8.3	12

567 chars

5.1.2 Assistance and Recovery narrative (no more than 1500 characters)

The dollar-dram (local currency) depreciation affected the contractor's ability to deliver the services and goods and a fewer number of households were reached than expected.

The target (a percentage) for FY08 has been increased, however, as the absolute number of disaster-affected households is lower than originally estimated. Thus, with a lower number of potential beneficiary households to work with no change in the absolute number of households the program can reach, the Program can now provide for a higher percentage with the same amount of resources.