

**RESULTS REVIEW AND
CLOSE OUT PLAN**

**USAID SLOVAKIA
1999-2000**

APRIL 1998

Please Note:

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Common Acronyms:*

ABC	Activity Based Costing
APP	Agriculture Policy Project (USDA)
BSE	Bratislava Stock Exchange
CEE	Central and Eastern Europe
CEFTA	Central European Free Trade Agreement
CSOs	Civil Society Organizations
CTL's	Core Teacher Leaders
EFL	English as a Foreign Language
ETP	Environmental Training Project
EU	European Union
EU Phare	EU Technical Assistance Program
FSVC	Financial Services Volunteer Corps
GoS	Government of Slovakia
HIID	Harvard Institute for International Development
HZDS	Movement for a Democratic Slovakia
ICMA	(U.S.) International City and County Managers' Association
IESC	International Executive Service Corps
IT	Information technology
KOZ	Slovak Confederation of Trade Unions
LSGAC	Local Self Government Assistance Center
MOA	Ministry of Agriculture
MOF	Ministry of Finance
MOJ	Ministry of Justice
NBS	National Bank of Slovakia
NADSME	National Agency for the Development of Small & Medium Enterprise
OECD	Organization for Economic Cooperation and Development
OSS	Office of Capital Market State Supervision
PPC	Pollution Prevention Center
REC	Regional Environmental Center
SAEF	Slovak American Enterprise Fund
SBBAC	Slovak Banking & Business Advisory Center
SK	Slovak currency (\$1.00 = approximately SK 35)
SME	Small and Medium Enterprises
SMTC	Slovak Management Training Center
SSN	Slovak Syndicate of Journalists
VAT	Value Added Tax
VUB	General Credit Bank
WEC	World Environment Center
WEMBA	Weekend Executive MBA Program
WTO	World Trade Organization

* Other acronyms are defined in the text.

USAID SLOVAKIA
RESULTS REVIEW AND CLOSE OUT PLAN
Part I: OVERVIEW:
FACTORS AFFECTING COUNTRY PERFORMANCE

Slovakia's post-communist transition hit a bump in the road this year. The so-called "democracy deficit" widened and the economy slowed. The year has been marked by increasing international frustration over what can only be described as the current government's lack of commitment to democratic values. This, combined with a flawed economic strategy which places political criteria foremost in many economic decisions, may substantially set back Slovakia's transition to democracy and lead to further economic deterioration.

The overriding US interest is for Slovakia to be a force for regional stability. Toward that end we support Slovakia's integration into western institutions, especially NATO and the EU. Yet certain acts by the government over the past twelve months indicate a worrisome inclination to defy western democratic norms and principles and have delayed Slovakia's membership in such western structures. Likewise, the Slovak government risked heightening tensions with its neighbors the Czech Republic and Hungary by posturing, largely for domestic political purposes, instead of pursuing a path toward greater solidarity with its former Visegrad Four partners.

In the last year the government's disregard of rulings by the constitutional court, its role in the spoiling of the May 1997 referendum, its failure to properly investigate the kidnapping of President Kovac's son and the recent granting of amnesty for those who may have been involved, have heightened concerns about the Slovak government's commitment to the rule of law and a constitutional state. Attempts to intimidate private media and the continued politicization of state media indicate a lack of commitment to fostering the free flow of information and expression of ideas. These have eroded international confidence in the ability of Slovakia to function as a democracy and may lead the country into self-imposed political isolation.

Similarly, the weaknesses in an economic strategy that attempts to concentrate power in the hands of few, with a few huge companies producing much of the industrial GDP, exports and jobs, are beginning to show. The symptoms, after several good years of recovery, include: a slower rate of growth, a large budget deficit, a bank failure, scarce credit for the small and medium enterprise sector, unemployment rising above 13% -- after falling in recent years -- and a lower international credit rating. Evidence of corruption and organized crime interfering with legitimate business and government is also emerging.

Until recently, the Slovak Republic was among the more successful transforming economies in the ENI region. Its economic policy reforms are relatively far along and most economic performance indicators up to 1997 were favorable. The deficiencies arising recently are from areas of policy and structural reform for which technical assistance and advice were disregarded or the political will for implementation was lacking.

In large part Slovaks now possess the knowledge and technical skills to manage a market economy effectively. What is needed is the will to apply the knowledge and skills in policy and regulatory reform, and most importantly, to reduce politicization of economic decision making. Steps aimed at potentially reducing the independence of the Central Bank are a worrisome example in this regard.

With parliamentary elections approaching, the anti-democratic moves by government take on added significance. Disturbing trends, reflecting an intolerance for opposition views and the recentralization of state authority, raise questions about whether the campaign period and elections will be free of manipulation.

The pace of Slovakia's transition to democracy and a market-oriented economy has clearly slowed in the last year. As of this writing the implications of this slowdown are somewhat unclear. Long run signs remain positive and predictions are for Slovakia's eventual full integration into the Western economic and political community. However, the immediate future will be heavily influenced by elections, both the process and the results, and by the direction taken by the economy.

PROGRAM STRATEGY

Absent a commitment by government to strengthening the democratic character of national governmental institutions and policies, the SEED strategy in Slovakia is to focus largely on non-governmental actors, strengthening the other civil institutions that are key to a functioning democracy, for example, local governments, NGOs, trade unions, political parties and the media. We have sought to help create the basis for a democratic culture from which a fully democratic political and social system will emerge.

Under the circumstances, this strategy is appropriate for SEED assistance. While recent events here have caused a deterioration in the outlook for democracy in Slovakia, and prevented the consolidation of political and economic gains, progress towards the achievement of SEED objectives has been made. More is said about this in subsequent chapters describing achievements under each strategic objective.

In the area of economic restructuring and reform, over the last three years USAID assistance which was not being fully utilized by government was largely withdrawn and resources were directed more to private sector entities. These activities aimed at developing management advisory services, conducting business training, and improving the safety and soundness of the financial sector.

In health, education, environment and local government programs, we made fruitful partnerships with hospitals, schools and universities, and forged ties within ministries, and with local leaders and citizens groups, supporting reform efforts bottom up. Officials of the Ministries of Health and Environment are working together for the first time in the field of environmental health. Potentially lasting relationships now exist between Slovak and several US universities. Slovakia's first health policy institute, a potential site for launching much needed reform of health care financing is a result of one partnership. Another partnership is introducing new democratic teaching methods, and is bringing about systematic changes in the way teachers and administrators are trained. These efforts succeeded despite the Slovak government's less-than-favorable sectoral policies.

The question of whether and when a truly democratic polity and culture emerges in Slovakia depends on whether the grassroots democratization movement will be able to overcome the forces of authoritarianism, centralization, and lack of respect for the rule of law -- legacies of the previous system. Economic outcomes, influenced by government choices and private behavior, will also play a critical role in this struggle. While SEED assistance has certainly contributed to Slovakia's progress to date, internal factors rather than external assistance will weigh more heavily in determining the future pace of Slovakia's transition.

CLOSE OUT ACTIVITIES

USAID Slovakia continues on a course to largely phase out SEED activities in 1999. Absent any dramatic change in the country environment, the continuation of current SEED activities beyond that point, at current assistance levels, offers little hope of a commensurate degree of impact on Slovakia's overall transition.

This R2 anticipates one significant new "legacy" activity; an Indigenous Grant-Making Organization (IGMO) funded in FY99. As of this writing only two other post-presence activities will continue beyond FY99. One is a regional program for the Danube River and the other is the final year of training in the United States for MBA faculty. The first will require limited in-country management beyond the closure of USAID Slovakia; the other two will not.

The R2 also proposes an upward adjustment in the program budget for FY99 (from two million dollars to three). This adjustment is necessary to meet post FY99 management requirements for the IGMO, as well as to allow program flexibility and retain options for our response to Slovakia's post election environment. The "management platform" proposed for oversight of the IGMO should provide for sufficient supervision of any democracy activities initiated with additional FY99 funding that continue beyond FY99. These cannot be specifically anticipated at this time.

In last year's R4 Review, the question was raised whether USAID's democracy objective would likely be reached before USAID Slovakia's close out in 1999. USAID Slovakia noted that a great deal of progress had been made toward achievement of this objective within the existing political environment -- which is far from ideal -- but recognized that the transition is not complete. It was agreed that a team from USAID Washington would work with USAID Slovakia in 1997 to explore a range of options for achieving our democracy objectives during the time remaining until USAID Slovakia close out, and to consider USAID Slovakia plans for post-presence activities.

A democracy assessment team, consisting of ENI, Global Bureau and USAID Slovakia staffers carried out an assessment from October 23 to November 5, 1997 of the state of democracy in Slovakia and expected results of USAID's existing democracy program. The assessment team concluded that USAID's democracy objective was unlikely to reach full achievement by September 30, 1999 along with the rest of the country program. The team also made a series of programmatic recommendations.

First, the assessment team endorsed USAID Slovakia's plans for an indigenous grant making organization (IGMO) to provide limited financial support to NGOs to carry out democracy building activities, and recommended that USAID Slovakia proceed with the development of this activity. In March 1998, a design team from ENI/OIM and PCS worked with USAID Slovakia to finalize the IGMO concept and develop a request for applications which will be used to select the indigenous organization(s) which will administer this sub-grant program. The RFA will be issued in FY98, with the grant(s) to be awarded early in FY99.

Secondly, the team recommended that the current year (FY98) democracy program increase emphasis on the pre-election period. USAID Slovakia had begun in FY97 to shift the focus of on-going democracy activities to address the upcoming elections. This included shifting IRI's political skills development program to provide concentrated training to prepare political parties and youth political organizations (YPOs) for the elections. We modified ACILS labor union education and outreach program to include issues of political education, and develop, in cooperation with the national labor union leadership, a political

education program for its members centered around the right of unions to participate in elections.

USAID Slovakia also approved in FY97 a proposal from IFES to provide election related assistance, beginning with a pre-election technical assessment in December 1997. Adjustments were made to the Professional Media Program to focus on providing necessary support to the independent media in the election period. This support includes: a media watchdog project to monitor and record impediments and harassment that journalists and media managers may face in the election period; a media monitoring project to monitor electronic media coverage of each political party; and an election database and webpage to provide all journalists with comprehensive and objective election-related information in an effort to improve fact-based coverage of the elections. On the team's recommendation, USAID Slovakia added a domestic election day monitoring training effort, and an international observation team, to be conducted by NDI, to our inventory of election assistance. We have also intensified our efforts to coordinate with the EU and other donors and are cooperating closely on election-related assistance.

Finally, looking ahead to the various post-election political scenarios that might emerge in late 1998, the democracy assessment team laid out options for responding to possible outcomes of the 1998 elections. The team provided a framework for contingency planning, acknowledging that only a general direction for program activities could be outlined at this point.

In the event that the elections produce a pro-reform majority in Parliament, the team recommends that USAID should be prepared to respond if we find there are targeted areas where we have a comparative advantage. Much would depend on the exact composition of the pro-reform coalition, how it manages to negotiate differences of policy and personnel within the coalition, the prevailing economic and political contexts, etc. Under this scenario, while the USG should not be the supplier of first resort or the supplier of all needs for requests from a pro-reform government, the team felt it would be appropriate to respond positively to a narrow and highly focused range of discrete activities which meet the following criteria: 1) the sector or activity is important to advancing the political or economic transformation; 2) the government is committed to reform and its desire for the proposed assistance is strong; 3) other donors are unable to respond in a timely manner; 4) a judgement has been made that USAID is able to respond quickly and effectively.

Under the scenario in which there is a continuation in power of non-reformers, the team agreed that the present program should provide the fundamental framework for the remaining years and recommended that USAID continue its present close out strategy --

with a continued emphasis on building the capacity of civil society counterparts as well as preparing a "third generation" activity, i.e. the IGMO. However, the team also recommended that certain additional investments in three strategic sectors might be added to such a close out scenario; activities aimed at shoring up and strengthening the media, trade unions and political parties which they felt would present both a defensive strategy and an investment in possible, future pro-reform leaders. In the team's view these three institutions -- political parties, media and unions -- should work together and with pro-reform elements of the third sector to provide an alternative vision for the future.

The country team continues to discuss future strategy options both for assistance and non assistance that may be appropriate depending upon the policies of a new government. The US will remain engaged in Slovakia on a wide front in a variety of ways regardless of the election results.

POST PRESENCE

A small USAID affairs staff consisting of an American, an FSN officer and FSN support staff, to be housed in the Embassy after December, 1999, is proposed. This proposal is to provide a "management platform" for oversight of the IGMO and possible other post-presence SEED activities which may be indicated following the elections. Over the next six months, as the situation evolves in Slovakia, the appropriate direction for additional FY99 assistance and the implications for management will become clearer. We are not, however, contemplating programs that would require more management oversight than the staff outlined above.

**Part II: PROGRESS TOWARDS OBJECTIVES
PERFORMANCE SUMMARY TABLE**

Objective Name	Rating	Evaluation findings / Comments
SO 1.2: Increased Soundness of Fiscal Policy and Fiscal Management Practices	Partially Met	Would have accomplished more if MOF & other partners had met counterpart expectations and critical assumptions had been fulfilled.
SO 1.3: Accelerated Development and Growth of Private Enterprises	Met	Met capacity building objective after changing focus in 1996.
SO 1.4: A Competitive, Market-oriented Private Financial Sector	Met	Generally met, but fell short on some IR's due to partners not fulfilling counterpart expectations.
SO 2.1: Increased, Better Informed Citizens' Participation in Community Political and Economic Decision Making	Not Meeting	Deterioration in overall political environment has heightened concerns and may be contributing to reduction in participation. This combined with the need to bring about changes in attitude and behavior, a slow process, means performance has not met expectations.
SO 2.3: More Effective, Responsible and Accountable Local Government	Meeting	Established targets were exceeded in most cases.
SO 3.3: Reduced Environmental Risks to Public Health	Meeting	Still in process. Initial IRs met. Health related work just begun.
Percent funding through NGOs and PVOs: FY98: 41%; FY99: 100%; FY00 0 %		

SO 1.2 Increased Soundness of Fiscal Policies and Fiscal Management Practices

A. Performance Analysis

Overview: USAID has pursued achievement of this strategic objective through technical assistance aimed primarily at achieving three subordinate intermediate results: reform of the income tax law to improve the efficiency and equity of the tax system; increasing the analytical capability of the Ministry of Finance to determine the impact of fiscal policies; and rationalizing selected expenditure policies to reduce their drain on the budget and their efficiency disincentive effects on the economy. In each of these areas progress was made and the technical assistance produced the outputs intended.

However, overall, progress towards achieving the strategic objective was less than expected because critical assumptions that the GOS executive and legislative branches of the government would remain committed to fiscal reform were not fully realized. USAID's assistance has left in place the capability to reform further when the GOS makes the policy decisions to do so. Until then, this SO cannot be considered as fully achieved. USAID ended assistance for this SO in December 1997.

Income Tax Law Reform and Improved Analytic Capability:

Assistance in both of these areas was provided by a U.S. Treasury advisor. The advisor completed his three year tour in July, 1997. Overall this was a successful activity, and achieved progress in three intermediate results: reforming the income tax law, improving analytical capacity and increasing effectiveness of tax administration. However, the activity would have been more successful had our critical assumption been correct. That assumption was that the Slovak parliament would remain committed to making reforms which would make the fiscal system more compatible with a market economy.

Instead, the advisor worked against a climate of Ministerial apathy for the first two years of his tour. Yet he was able to complete all of the tasks and achieve the outputs in the policy area that he set out to complete at the outset. Many of his recommendations, including a loss carryover rule and tax treatment of investment funds and intercorporate dividends were incorporated in the draft revision of the Income Tax law submitted to Parliament before his departure.

Unfortunately, the Government later withdrew the bill, apparently because it became concerned with revenues as the budget deficit widened. The GoS opted to raise the VAT and some other taxes

rather than lowering rates and broadening the tax base. Pressure from the Association of Workers led to an amendment that will sharply increase the marginal rate on upper income brackets.

These actions occurred in the context of a government seemingly keen on boosting election year spending on various infrastructure and other projects. The changes are reflected in our indicators, where spending as a percentage of GDP reversed its previous declines and rose to 33.9 percent while the revenue ratio fell to 28.2 percent. Very early results for 1998 suggest that the GoS may be attempting to regain control of the budget deficit. In January the budget showed a monthly surplus. Whether raising tax rates will prove to be a sustainable approach to deficit reduction remains to be seen.

Despite the backsliding on tax reform, and looking at the long run, the technocrats are now fully aware of the issues and it is still possible that a reform tax bill will be resubmitted at a later date when the MoF feels more comfortable with its budget situation. In any case, in the future the Ministry will be able to make tax recommendations with full knowledge of the potential effects because, not surprisingly, the technical work was more successful than the pure policy work. The Ministry staff now has the analytical tools needed to support policy reforms to flatten the tax rate structures, enhance government revenues, and align fiscal policy with the needs of a market-oriented economy.

The advisor left the Ministry with improved revenue forecasting skills and an excellent simulation model and trained staff to inform policy in the future. An individual income tax micro-simulation model allows analysts to simulate a proposed change in the income tax law and examine the revenue and distributional effects. Ministry staff have been trained to update and maintain the simulation model in the future. The Chief of the Treasury and Financial Policy Department at the Ministry of Finance indicated that he is interested in using the models the advisor had developed. In addition, a macroeconomist funded by EU PHARE may be consulted by the Ministry to help develop a medium-term macroeconomic model of the Slovak economy. The technical work therefore is a meaningful legacy of this project.

The real disappointment is that the Ministry was not more receptive to additional advice in the area of tax administration. Except for a few technical changes and increased computerization, neither our advisor nor the EU advisor made much progress in that area, as the Ministry chose to go it alone. In the future the EU might have to pick up this work again as a pre-accession activity if the MoF indicates more willingness to be advised.

Rationalizing expenditures: Efforts to rationalize expenditures were focused on two areas, housing subsidies and agriculture. USAID's housing subsidies advisor developed a simulation model

that enables the GoS to analyze the respective cost and impact of various housing subsidy options. The technical package is essentially complete but the GoS did not adopt the policy because it required a substantial budget appropriation and the allowance is linked to relaxation of rent control. The GoS does not intend to raise rents before the 1998 general election. However, in the meantime the model has been adapted to another USAID activity aimed at reducing heating subsidies through improved energy efficiency and may yet find application there.

In agriculture, assistance was provided through an agricultural advisor whose main effort was directed at affecting legislative and regulatory reforms to support an orderly market-driven food production and delivery system and stimulating the private sector through targeted technical assistance. This work aimed to help position the Slovak food and agricultural system for full membership in the OECD and eventual accession to the EU. (Slovakia already operates within the WTO and CEFTA.) More specifically, the purpose of this assistance was to advise the Ministry on means of reducing GoS budgetary costs of the agriculture sector, to revise subsidy policies in ways that will increase productivity and profitability and of moving toward closer integration with world agricultural markets.

One element of integration with world markets was to gain access to more timely and accurate price and market information. That endeavor was successful - - - price and trade data from the USDA and U.S. trade associations are being provided on an on-going basis.

In addition to a series of potentially powerful technical advisory successes such as those in apple production and crop insurance, and USDA meat certification for Slovak meat exports, we believe that there were two milestone accomplishments that derived in large part from this activity:

The Grain Warehousing Law and the Agriculture Act:

A major distortion in the sector arises from the fact that there is a substantial quantity of bad debt accumulated in former years. This in turn inhibits the new credit needed to reform and improve the sector. The Warehousing Law passed in March, 1998. By allowing the collateralization of warehoused farm commodities, this new law promises to profoundly affect the supply of credit to the agricultural sector. Moreover, it may leverage other policy reforms. For example, a grain warehousing system will require revising subsidy policy as well as tariff and non-tariff measures. There are three major ideas about how to revise subsidies to help farmers participate in the grain warehousing system: loan interest buy-down (using warehouse receipt (grain) as collateral); coverage of part of storage costs for farmers to make it less expensive; and to create Indemnity Fund.

Measures such as these should alter subsidies so they are less disruptive to market signals and thereby improve the productivity and profitability of the sector. Implementation of this law has begun and it is possible that the World Bank might also participate. A document was developed which provides a step by step implementation process. The document establishes a unit at the Ministry of Agriculture responsible for the new system. It appears that the State Fund of Market Regulation may play an important role in grain warehousing scheme as well. Several options for grain warehousing system financing are under consideration. One idea is for the State Fund of Market Regulation to play a role similar to the Commodity Credit Corporation in U.S.

The impetus for this initiative arose from extensive meetings by the advisor and his staff with all segments of the grain and banking industries, particularly with the lead agricultural bank and with Ministry officials in charge of policy revisions. Technical assistance included visits by professionals familiar with the U.S. grain sector, trade missions with multi-national firms in attendance and policy trips to the U.S., Hungary and Poland. These visits were structured to give the key players in Slovak agricultural policy reform an accurate, first-hand picture of the efficiently operating grain marketing and warehousing system in the U.S. During development of the Grain Warehouse Law, the advisor and staff were involved in review and preparation of the Law with the Ministry legal section and the banking representatives involved.

The Agricultural Act was approved by the Slovak Government in February, 1998 and will become effective in May, 1998. There are a number of important revisions in current policy and initiatives that will enhance the flow of cash through the Slovak agricultural sector. The most important component of the Act is the Prompt Payment provision, which should reduce or remove a major bottleneck in the agriculture sector. Additionally, the Agricultural Act includes: 1) establishing a crop disaster fund designed to compensate primary producers for natural disasters; 2) revising the subsidy system with regard to allocation, amount and publication of guidelines for application and award; 3) revising the State Fund of Market Regulation; and 4) revising bankruptcy laws to protect primary producers.

The Prompt Payment provision set the maximum number of days in which payments can be made to primary producers at fourteen. That is, complete payment must be made to these producers for their fattening or fattened livestock, milk or fruits and vegetables within two weeks. This was deemed necessary to shorten payments from an average of 90+ days in 1996. Accordingly, the length of payment agricultural input providers should diminish from the 340+ days reported in 1996. In an environment such as currently exists in Slovakia, where loan capital is scarce and interest

rates are high, keeping money flowing through the system is very important. This Act should help make significant inroads to alleviating the adverse effects of the estimated 13 B SK debt which exists in the agricultural sector.

The concept of prompt payment was unknown to the Slovak Ministry of Agriculture until April, 1996, when the advisor first proposed the concept to State Secretary Lipka. The idea gained momentum over the next several months as the advisor provided materials explaining the U.S. law and held a series of meetings with key Ministry personnel to expound on the potential benefits to the agricultural and food sector. It is felt that stopping the cycle of overdue payments to primary producers will force the processing and wholesaling sectors to tighten up their credit policies and contractual arrangements, thus increasing the velocity of money flowing through the system.

B. Expected Progress Through Close out of SO

This SO closed as of December 1997. Sustainability is discussed in the following section.

C. Activity Expected After Close out of SO

No additional SEED activity is anticipated. The key intermediate results have either already been achieved or can be achieved through the application of tools left behind. This is true of both the agriculture and the fiscal activities.

An important post-presence need in the fiscal area is for further improvements in tax administration. However, those will require a government commitment that is unlikely to emerge in the near term. In the event that it does, European donors have worked on tax administration in the past and indicated a willingness to further assist in this area, and should be expected to do so as part of the process for accession to OECD and the EU.

As explained above, in the area of tax policy the Ministry has trained staff, computer hardware and software, advisory memoranda and even a draft income tax law already in place. What is needed is the political will to implement reforms. The tax advisor's work is thus sustainable at least in the short term, as long as Ministry staff do not become discouraged or otherwise leave the tax department.

In earlier R4's we suggested that part of the transition is moving from the donor/recipient mode to more mature relationships between U.S. and Slovak institutions. We have built such a transition into the closure of the agriculture advisor activity. In order to encourage the transition from a donor/recipient mode to a more mature relationship between the U.S. Government and Slovakia the remaining funds for this IAA are being used to

establish an FSN assistant agriculture attache' position at the commercial section of the Embassy. The position was filled in April 1998. We hope that after the first 18 months of SEED support, and a second 18 months of USDA support this will be continued by USDA as a permanent position. The FSN will be under the direct supervision of the embassy economics officer and be ultimately responsible to the agriculture attache' in Vienna, hence no USAID mission management responsibility. SEED funding will cover the position for approximately 18 months, hence the termination date is listed as 9/99 on the table below.

OBJECTIVE: SO 1.2 Increased Soundness of Fiscal Policies and Fiscal Management Practices			
APPROVED: 05/25/1996 COUNTRY/ORGANIZATION: USAID Slovakia			
RESULT NAME: SO 1.2 Increased Soundness of Fiscal Policies and Fiscal Management Practices			
INDICATOR: Public Budget as a Percent of GDP			
UNIT OF MEASURE: Percent of GDP SOURCE: Mof Reports. 1997 estimate from press reports INDICATOR DESCRIPTION: Expenditure/GDP COMMENTS: Although pre-election spending helped to push the percentage back up in 1997, it is still below the original target. Revenues fell to 28.2 percent of GDP.	YEAR	PLANNED	ACTUAL
	1995 (B)		40.0%
	1996	39.0%	30.8%
	1997	38.0%	33.9%
	1998	37.0%	33.0% (acceptable)
	1999 (T)	36.0%	
	2000	35.0%	

OBJECTIVE: SO 1.2			
APPROVED: 05/25/1996 COUNTRY/ORGANIZATION: USAID Slovakia			
RESULT NAME: IRR 1.2.1.1 Income Tax Law Reformed			
INDICATOR: Enactment			
UNIT OF MEASURE: SOURCE: Press reports of Parliamentary Action INDICATOR DESCRIPTION: Parliament passes law COMMENTS: Ministry of Finance submitted draft to Parliament in 1996, but withdrew it in 1997, perhaps due to concerns about revenue shortfalls and unease about a major tax reform in a pre-election year. We nonetheless deem this acceptable because the Ministry has the documents, skills and information provided by the project and the law can be resubmitted at a future date.	YEAR	PLANNED	ACTUAL
	1995 (B)		
	1996		MoF draft
	1997 (T)	enacted	submission withdrawn
	1998		(acceptable)
	1999		
	2000		

OBJECTIVE: SO 1.2			
APPROVED: 05/25/1996 COUNTRY/ORGANIZATION: USAID Slovakia			
RESULT NAME: IR 1.2.1.2 Analytical Capacity improved			
INDICATOR: Individual Income and Social Security Tax Model Employed			
UNIT OF MEASURE: Model in use SOURCE: MoF and advisor reports. INDICATOR DESCRIPTION: COMMENTS: Income tax model and complementary simulation model are in use by Ministry staff.	YEAR	PLANNED	ACTUAL
	1995 (B)		none
	1996 (T)	model in use	completed
	1997		(acceptable)
	1998		
	1999		
	2000		

OBJECTIVE: SO 1.2 Increased Soundness of Fiscal Policies and Fiscal Management Practices			
APPROVED: 05/25/1996 COUNTRY/ORGANIZATION: USAID Slovakia			
RESULT NAME: SO 1.2.2 Improved efficiency of selected government expenditures			
INDICATOR: IR 1.2.2.1. Revised legal and regulatory policy framework			
UNIT OF MEASURE: Market order system in place for agricultural products. SOURCE: Reports from Ministry of Agriculture and from parliament INDICATOR DESCRIPTION: Passage or adoption COMMENTS: The 1998 Agriculture Act includes a "prompt payment" clause.	YEAR	PLANNED	ACTUAL
	1995 (B)		
	1996		
	1997	Prompt payment law passed	
	1998		Ag Act & Grain Warehousing Act passed
	1999 (T)		(acceptable)
2000			

Termination Schedule for Activities under SO 1.2

activity	1997	1998	1999	>1999
24.05 agricultural policy	U.S. advisor departed	4/98 FSN ag assistant hired	9/99 (SEED funds expended)	USDA funded
27.01 TA/financial services			7/97	
34 housing allowances	12/97			

SO 1.3 Accelerated Development and Growth of Private Enterprises (SME)

A. Performance Analysis

Overall, achievement of each of the intermediate results generally met expectations, and even exceeded expectations for some lower level intermediate results. At the micro level the activities were a distinct success, in the sense that the benefits clearly exceeded the costs. The impact at the sector or macro level was diminished by at least two factors. First, the overall business environment for small and medium sized enterprises (SME's) in Slovakia is not as conducive as it should be in order to achieve full impact. With the exception of retail trade and services, present GoS policy toward business and the financial sector clearly seems to favor larger enterprises, although public statements often proclaim support for small enterprise.

In part this is a reflection of politics and in part it appears to reflect a vision, perhaps carried over from the past, that a "modern" economy is one characterized by huge industrial enterprises (this despite the fact that in 1996 SME's accounted for 51 percent of GDP and the SME subsector grew by 15 percent in real terms). A second reason is that achieving macro results by working on a firm-by-firm basis, using expatriate advisors, would require far more resources than are available¹. Moreover, it is not clear from our experience that even if adequate resources were available that there is sufficient demand by firms to utilize them efficiently.

In 1996 there were more than 50,000 SME's in Slovakia. Of that total, 88 percent were small (under 24 employees). While IESC worked the full range of firms, the Slovak Business Advisory Center (SBBAC) targeted about 750 nonagricultural firms which each employed from 50 to 1,000 workers. In 1995, when the USAID enterprise restructuring project began, the intention was to focus on direct assistance to enterprises, attempting to reach 300 of the target group of firms. As previously reported, by mid-1996 it was apparent that enterprise demand and bank referrals were insufficient to generate 300 enterprise turnaround cases. The target was reduced to 100 companies and the emphasis under this SO was shifted to strengthening sources of business training and thereby implanting a sustainable advisory resource for the enterprise sector. This move proved to be far more effective in reaching the target group and more cost-effective.

¹ Even at a very modest cost of \$50,000 per enterprise, it could cost \$45 million dollars to provide 60 person-days of expatriate assistance to each of the 900 enterprises in our target group.

Improved Policy and Legal Environment

Another thrust of our assistance was to work to improve the policy and legal environment for the enterprise sector. Passage in January 1998 of an amendment to the Slovak bankruptcy law is a significant accomplishment attributable to USAID's assistance. On March 4, 1998 the Constitutional Court declared unconstitutional two sections that gave special treatment to such entities as Slovak TV and that would have retroactively excluded bankruptcies that were valid before October, 1996. Parliament has the option of re-examining the legislation. In any case, at the time of this writing, it does not appear that the decision will fundamentally change the improvements brought about by the law.

Disincentives created by inadequacies in the Slovak bankruptcy law have been a major impediment both to enterprise restructuring and, by implication, clearing bank portfolios of nonperforming loans. The underlying philosophy of the law was to punish deadbeat debtors rather than to preserve and remobilize productive assets for the economy.

In short, in this transitional economy, with hundreds of distressed enterprises and millions of dollars of nonperforming loans in bank portfolios, only two enterprises ever went into the bankruptcy process (and it is not clear that even those cases were ever finalized) because restructuring such as that provided by U.S. Chapter 11 was not a real option.

In 1995, a team of U.S. experts advised the Slovak Ministry of Justice in drafting an amendment to the bankruptcy law. The Ministry completed the task and submitted to Parliament a draft amendment that included most of the important revisions recommended by the advisory team. For nearly two years the Parliament failed to act on the amendment. Finally, in January, 1998 the amendment was passed, to be effective on February 1, 1998. To date USAID has not succeeded in acquiring the final text of the amendment, but a Slovak lawyer who worked with the original team reports that most of the key team recommendations are included in the new law. If true, based on the draft that was submitted, the amendment is an important milestone in improving the business legal and regulatory environment in Slovakia.

Many of the provisions that previously had affected adversely both debtor and creditors under the old law have been addressed and the new law is expected to achieve greater speed of resolution of cases, an enhanced likelihood of greater payouts to creditors and more successful business reorganizations. For example, under the new amendment a debtor will be able to propose a voluntary composition plan either before or after a petition has been filed voluntarily by the debtor or by a creditor. There

is an Automatic Stay which precludes creditors from taking any action to seize property, pursue their debt or other legal rights. Voluntary Composition can be filed by the debtor before a bankruptcy order is entered. Provisions limit the debtor's ability to hide assets. The mandatory mediation period has been partially removed. However, the underlying philosophy of the law is still that of protecting creditors rather than preserving productive assets.

This activity also developed a legacy institution, the **Slovak Bankruptcy Institute (SBI)**. With the USAID project now ended, it is important that an indigenous organization be able take over its activities. The SBI was launched at the end of 1997. Its general purposes are education and research about bankruptcy with a goal to evaluate in a neutral way the working of the law and make recommendations for its improvement. In this sense the Institute can have an important role in the long-term GoS project of redrafting the whole Slovak Bankruptcy Code. The SBI is designed to bring together the business and legal community engaged in bankruptcy process and serve as a forum for discussion and exchange of ideas and experience. It would also organize educational activities in the field and serve as neutral source of information.

The SBI will: create a forum for analysis, discussion and opinion exchange in the area of bankruptcy law and related legal fields; organize conferences and seminars for professionals involved in the bankruptcy process; participate in the drafting efforts in bankruptcy law and related legal fields; undertake publication and research activities; compile on regular basis and distribute among members of the Institute a brochure on judicial decisions in bankruptcy matters. The SBI has already formed an informal linkage with the American Bankruptcy Institute.

Targeted Private Business Performance Strengthened

The **SBBAC Enterprise Restructuring** project advised over 100 enterprises, prepared over seventy restructuring plans, attracted over 1,500 participants to training courses, distributed over 600 methodologies and sold over 5,000 copies of Business Performance. This business journal published seven issues in 1997, each covering a unique content area, ranging from marketing to international best practices. It achieved a market presence in a short period, drawing over 150 subscribers. The seventy enterprises with which consulting teams worked directly have a total combined annual revenue of over 20 billion Slovak crowns. The impact of the entire project, including training, publishing and capacity building, will be several times higher.

Beyond this "transition" advice, for years to come the new generation of Slovak managers will occasionally need advice on preparing business plans, marketing plans, management accounting,

and other specialties, as do nearly all companies operating worldwide. This is not simply a transition issue. For that reason USAID opted to create Slovak management advisory capacity that will serve managers for years, even decades, to come. SBBAC therefore trained Slovak advisory companies to continue doing the enterprise work that SBBAC had done for the past two years (see SMTC, below).

During the two years that the project was active, clients of SBBAC Consulting achieved the following progress toward targets: in 1996 increased operating cash flow (EBITDA) by 6.7%; increased sales by 2.4%; decreased labor costs as a percent of sales 2.5%; decreased costs per unit of sales, 7%; debt coverage (operating income divided by interest expense) increased 12%.

In 1997, operating cash flow increased by 2.7%; sales increased by 6.8% (the advisors estimate that resulting weighted average two-year sales increase of 5% represents over \$40 million per year); labor costs as a percent of sales decreased 0.3%²; costs per unit of sales unchanged³; inventory turn increased from 3.1 times in 1996 to 3.5 times in 1997; debt coverage increased by a further 21%, despite dramatic increases in Slovak interest rates, debt coverage increased 21%.

The SBBAC Consulting capacity building program trained eleven Slovak business advisory companies to perform enterprise restructuring processes. By October 1997, six of the eight specialist firms that SBBAC trained have been certified by their training company (The Recovery Group or Coopers and Lybrand) to be fully capable of delivering restructuring services independently and without need for further guidance. In addition, 6 other firms were trained and certified in Activity Based Costing. These advisory companies can deliver less costly advice than expat advisors and they will be providing services for a much longer time. The quality of service is excellent.

To gain some perspective on the leverage that USAID has left behind, these six to eight firms will deliver restructuring services to about 65 enterprises per year into the foreseeable future. That is nearly the total number of clients that the expatriate advisors served for the two-year existence of SBBAC.

² Achieving this target was hampered by the fact that wage rates were increasing 15 percent annually. On the other hand, it should be noted that labor productivity is declining in companies *not* served by SBBAC, so the project did have the intended impact.

³ During 1996, Slovakia raised energy costs by 10 percent, which in turn increased metal costs. Combined with the wage inflation noted in footnote 2, the unit cost reductions resulting from SBBAC enterprise restructuring were offset by the external inflationary factors in 1997. Yet, without the restructuring, unit costs probably would have increased rather than remaining unchanged.

Extrapolating from the average SBBAC client company, the total sales of those 65 companies will be \$ 500 million per year. In addition to direct assistance to companies, 750 copies of business management Tool Kits have been placed with Slovak managers to assist them in some do-it-yourself enterprise restructuring. This distribution covers most of the SME companies in our original target group for assistance.

In short, USAID enterprise assistance has only begun. Only the vehicle that has changed. If there is a demand from the companies themselves for the services of our centers and trained professionals, enterprises should be benefiting from USAID enterprise restructuring technologies for many years into the future, as was the intention of the SBBAC activity.

In seven and a half years the International Executive Service Corps (IESC) has delivered managerial and technical assistance to 148 different clients in the Slovak Republic. These clients have ranged from massive industrial complexes formerly producing heavy armaments to a processor of natural honey products and have included banks, universities, a Ministry, consultants, software developers, and representatives from a true cross section of the Slovak economy. Almost 250 projects, each with an average length of over 4 weeks, for a total of 7,000 person-days, have been executed by American volunteer executives whose efforts have impacted 80,000 employees in companies with annual sales of over \$2.2 billion. Two thirds of the projects have been in the countryside. When USAID support ends, the IESC office will transition to a for-profit consulting organization to be owned and operated by its Slovak staff members.

As a result of this assistance assisted enterprises report significant progress in management improvement, employee skills strengthening and the development of marketing techniques. These basic improvements may be considered responsible for the indicated increase in sales, exports and profits, job creation, and productivity and product quality enhancement. Capital investments of \$2.5 million are reported by 8 clients companies. Almost 900 participants received formal training courses, Eight companies reported cost reductions of \$5.7 million.

Sources of Business Training and Assistance Strengthened

As a result of USAID assistance, several institutions (Slovak Management Training Center, MTEE Comenius University MBA program, SBBAC Consulting and 18-20 Slovak business advisory firms) will have the capacity to continue the work of strengthening SMEs after USAID departure. These institutions have strong technical competency and a growing client base and should generate sufficient revenue from fees to remain financially independent.

The **Slovak Management Training Center (SMTC)** trained over

1,500 managers over two years, simultaneously developing over 30 trainers and developing a Certificate program. After USAID support ended in December, 1997 SMTC began operating as a nonprofit corporation, offering a range of courses to Slovak managers on a commercial basis. Although this entity is going through understandable and typical startup difficulties, we hope it will survive as a lasting legacy to the enterprise training sector.

Now that it is independent, SMTC is also contributing to EU PHARE's enterprise restructuring work. SMTC is training many of the consultants that EU PHARE intends to use for its own effort, thereby leveraging and in effect extending the impact of our own SBBAC project. The Agency for Industrial Development and Revitalization (AIDR) is a program managed by the Ministry of Economy. Although startup has been delayed, EU PHARE intends to finance a program for enterprise restructuring through the AIDR's. SMTC signed an agreement with AIDR to provide a certification program for consultants in strategic management, business excellence, technology and quality management, and financial crisis management. Each one used the SBBAC consulting process as the basis of its curriculum. Over 60 consultants, in a broad cross-section of consulting firms, were trained and certified by SMTC on AIDR's behalf. SMTC also provided guidance in defining the curriculum through its understanding of restructuring issues in Slovakia.

The principal objectives of the **Financial Management Project (FMP)** of SBBAC were: a) to improve business decision making by introducing activity-based costing (ABC) and activity-based management (ABM) to Slovakia; b) to develop capacity in four Slovak accounting/financial consulting firms to enable them to implement ABM systems in Slovak businesses; c) to continue to provide ABC training and develop capacity in two new Slovak accounting/financial consulting firms; and d) to train them in ABC and ABM through technical assistance and hands-on experience in actual enterprises.

Targets for this activity were met. As a result of the activity, 6 Slovak accounting firms are fully trained and capable of delivering ABC consulting services and 4 of them are fully trained and capable of delivering ABM services. These local accounting consulting firms were certified by Coopers & Lybrand and will continue to provide ABC and ABM consulting services to Slovak enterprises. As a legacy, these partners have agreed to form an informal association to continue their study, understanding, and dissemination of ABC and ABM. The project also developed ABC and ABM "tool kits", i.e., small texts to be used by the partners, other consulting firms, enterprises, and managers. In addition, the advisory team provided training in the application of the EasyABC Software that was used by the project. Each accounting partner is now recognized as an

official affiliate of ABC Technologies in Slovakia and will receive continuing educational materials on ABC. Each partner has a copy of the software to show clients the benefits of the use of the software. Moreover, these firms are capable of training others, so the process is now self-generating. As their work continues to heighten the awareness of the need for management accounting, additional consulting firms will seek to develop their skills in order to meet this need. It is probable that the number of qualified firms could increase beyond those already trained because these skills may be developed in other accounting firms by dissemination of the training materials and networking with the certified graduates of the FMP in a train-the-trainer mode.

An indicator of ultimate impact of FMP was the number of enterprises who would ultimately be served by the ABC/ABM certified Slovak accounting firms. Targets were 150 in 1996, 225 in 1997, rising to 325 in 2000 (i.e. roughly half of the total target enterprise group for SBBAC). As it stands now, the total client base of the consulting partners who were fully trained in 1996 exceeded the targets for 1996 and 1997. These figures conservatively assume that the number of consulting firms capable of delivering management accounting services will not increase beyond the six partners trained by the FMP. However, as noted above, there is potential that the actual delivery capacity resulting from the FMP will likely be larger than the amounts given.

As a final legacy, the FMP trained a professor at the Bratislava Economics University in ABC and ABM. The professor participated in implementations at enterprises and worked with the IESC volunteer in developing course material to introduce ABC and ABM in the management accounting course at the university, with is the largest business and economics institution in the country.

In summary, this activity fully achieved its objective, and indeed was a superior piece of capacity-building by the contractor.

The purpose of the **Management Training and Economic Education Project** (MTEE Large Grants competition with the University of Pittsburgh and Comenius University) activity is to develop and enhance the capacity of the most prestigious Slovak university in two areas: a) development of an MBA program and b) program development and postdoctoral training of economics faculty. The activity continues to progress steadily toward its objective and is meeting its interim targets. The 1997 target of capacity to train 1,500 students was met. The target for 1998 is 3,000. The cumulative target for faculty trained was 8 by 1996 and 20 by 1997. In fact, the number was 16 in 1997. UPitt received informal word from USAID in January 1998 that its request for a

"no-cost" extension to April 2000 and its change to Comenius University as its partner have been approved.

A milestone was achieved when the Comenius university took the first step toward "full ownership" of the program by naming a Vice Dean in charge of the MBA programs. This is a key element in establishing sustainability after the University of Pittsburgh leaves. An all-party strategy meeting is planned for May 1998 in order to finalize the sustainability plan. The combined efforts of the two counterpart faculties at CU were very important in obtaining passage of the Law on Further Education that would permit Slovak universities to charge tuition for advanced officially recognized degree programs. This was another key hurdle to overcome in creating sustainability. The next step is to obtain legal recognition for the MBA as a full degree rather than as a professional certificate. In January, 1998 the third time, several women are among the new recruits.

Under the second element of this MTEE activity, selected CU economics faculty members are sent to Pittsburgh for two years of resident postdoctoral study. In 1997, five Comenius faculty successfully completed the first semester of the Faculty Professional Development in Economics program. The results were quite satisfactory for four of the visitors. One of the Slovak visiting faculty received the highest grade in Econometrics I among all the regular U.S. PhD students and the five visiting faculty.

B. Expected Progress Through Close out of SO

As noted above, EU/PHARE has begun working through the GoS AIDR's on an enterprise restructuring activity that will further the progress in this area. As detailed in section A, several legacy institutions and training materials have been developed that will continue the work begun with these activities.

C. Activity Expected After Close out of SO

The MTEE/MBA program is the only post-presence activity currently anticipated under this SO. It will continue through April 2000 but without activity in Slovakia. After September 1999, the final activity will be centered in Pittsburgh, as the final group of economics faculty complete their second year of postdoctoral study.

OBJECTIVE: SO 1.3: Accelerated Development and Growth of Private Enterprises (SME)			
APPROVED: 05/25/1996 COUNTRY/ORGANIZATION: USAID Slovakia			
RESULT NAME: IR 1.3.1 Improved policy and legal environment			
INDICATOR: Bankruptcy law			
UNIT OF MEASURE: SOURCE: GoS and Parliamentary announcements INDICATOR DESCRIPTION: Latest change COMMENTS: Amendment was passed in January 1998, Nearly two years later than expected. Complete revision of law therefore assumed to be delayed as well.	YEAR	PLANNED	ACTUAL
	1993	0	Orig. amend. (B)
	1996		
	1997	amended	
	1998		amended 1/98
	1999		
	2000	(T)	

OBJECTIVE: SO 1.3: Accelerated Development and Growth of Private Enterprises (SME)			
APPROVED: 05/25/1996 COUNTRY/ORGANIZATION: USAID Slovakia			
RESULT NAME: SO 1.3.2: Targeted Private Business Performance Strengthened			
INDICATOR: Increased Profitability of SBBAC Clients			
UNIT OF MEASURE: Percent increase over previous year SOURCE: Contractor's AMS reports to USAID Slovakia INDICATOR DESCRIPTION: COMMENTS: Progress in 1997 was slowed by increased energy, labor and other input prices. Performance likely would have been worse without the enterprise restructuring.	YEAR	PLANNED	ACTUAL
	1995	0	-0.38% (B)
	1996	5 %	6.3 %
	1997	7 %	2.5 %
	1998	5 %	
	1999	3 % (T)	3 % acceptable
	2000	2 %	

OBJECTIVE: SO 1.3: Accelerated Development and Growth of Private Enterprises (SME)			
APPROVED: 05/25/1996 COUNTRY/ORGANIZATION: USAID Slovakia			
RESULT NAME: IR 1.3.2.1 Marketing: Increased Access and Ability to Respond to Market Information			
INDICATOR: Percentage increase in sales			
UNIT OF MEASURE: Percentage increase for SBBAC assisted enterprises SOURCE: Contractors' AMS reports to USAID Slovakia INDICATOR DESCRIPTION: Target group of 900-1000 SMEs COMMENTS: IESC also reports increases in sales for their clients, with 48% of them reporting increased sales over the 1991-97 history of IESC in Slovakia.	YEAR	PLANNED	ACTUAL
	1995	0	252 m SK (B)
	1996	5%	2.4%
	1997	5%	6.8%
	1998	5%	
	1999	5% (T)	5% acceptable
	2000	5%	
OBJECTIVE: SO 1.3: Accelerated Development and Growth of Private Enterprises (SME)			
APPROVED: 05/25/1996 COUNTRY/ORGANIZATION: USAID Slovakia			
RESULT NAME: IR 1.3.3 Sources of business training and assistance strengthened			
INDICATOR: Number of Slovak university faculty trained (MTEE/ UPitt-Comenius U)			
UNIT OF MEASURE: Cumulative number of faculty SOURCE: UPitt AMS reports to USAID Slovakia INDICATOR DESCRIPTION: Partner universities' faculty completing postdoctoral study in business and economics COMMENTS: Prior to 1997 all faculty trained in-country. After that all economic faculty will take courses in the USA at UPitt during 1 to 2 years and business faculty in both in places.	YEAR	PLANNED	ACTUAL
	1995	0	0 (B)
	1996	8	8
	1997	20	16
	1998	25	
	1999	35	
	2000	40 (T)	
OBJECTIVE: SO 1.3: Accelerated Development and Growth of Private Enterprises (SME)			
APPROVED: 05/25/1996 COUNTRY/ORGANIZATION: USAID Slovakia			
RESULT NAME: IR 1.3.3 Sources of business training and assistance strengthened			
INDICATOR: Capacity of SMTC to train executives and advise enterprises			
UNIT OF MEASURE: Number of executives trained SOURCE: Contractor's AMS reports to USAID Slovakia INDICATOR DESCRIPTION: COMMENTS: Executives enrolled in in-class courses and firms involved in in-company training run by SMTC and its successor institute.	YEAR	PLANNED	ACTUAL
	1995	0	0 (B)
	1996	120	560
	1997	600	572
	1998	700	
	1999	800 (T)	750 acceptable
	2000	900	

OBJECTIVE: SO 1.3: Accelerated Development and Growth of Private Enterprises (SME)			
APPROVED: 05/25/1996 COUNTRY/ORGANIZATION: USAID Slovakia			
RESULT NAME: IR 1.3.3 Sources of business training and assistance strengthened			
INDICATOR: Capacity of Slovak consulting firms enhanced			
UNIT OF MEASURE: Number of client enterprises per year	YEAR	PLANNED	ACTUAL
SOURCE: Contractors' AMS reports to USAID Slovakia	1995	0	0 (B)
INDICATOR DESCRIPTION: Target group 900-1000 SMEs	1996	40	41
COMMENTS: Annual client capacity of the 8 Slovak consulting partners and the private company spun off from SBBAC to advise in the areas of: organizational development, marketing, turnaround, and strategic management. In 1997, the companies projected 6-8 engagements each, annually.	1997	60	65
	1998	65	
	1999	70 (T)	65 acceptable
	2000	70	

Termination Schedule for Activities under SO 1.3

activity	1997	1998	1999	>1999
14 enterprise restructuring	12/97			
23.01 IESC SME assistance		9/98		
23.05 MBA enterprise corps	9/97			
23.07 Peace Corps EBDP	12/97			
23.11 EMED: Entrepreneurial Mgt & Exec Dev		6/98		
23.93 PSCs	10/96			
24.01 agricultural privatization	9/97			
24.04 agribusiness TA & training, Iowa State U	done			
26.14 bankruptcy, Carana	11/97			
29.01 MTEE large grants competition, U Pitt.				6/00

SO 1.4 A More Competitive and Market-Responsive Private Financial Sector

A. Performance Analysis

The overall purpose of our assistance in this SO was to improve the safety and soundness of Slovakia's financial system. We utilized three main vehicles to achieve this: The Slovak Bank Advisory Project (Arthur Andersen); Bank Supervision (KPMG and IBTCI) and Financial Services Volunteer Corps (FSVC), which worked in both the banking sector and capital markets. Progress toward our final objective was generally satisfactory, but fell short in some cases because some development partners (i.e., a few banks and Slovak policy makers) have not yet fulfilled their respective roles in the process. In particular, the political situation combined with a slow pace of adoption of financial sector reform policies appear to be causing concern on the part of outsiders.

There is some backtracking in our SO-level indicators. On March 30, 1998 Moody's downgraded Slovakia's credit rating to below investment grade, citing growing fiscal and current account deficits and external short-term borrowing. S&P is expected to follow suit. In our judgement, policy actions by the GoS rather than technical assistance are required in order for the SO level indicators to improve. This, however, is outside the manageable interest of donors, with the possible exception of the IFI's.

The two-year **Bank Advisory Project** was designed to be demand-based and was phased out when demand from banks no longer justified the cost of maintaining the advisors. During the life of this project, there were approximately 30 banks in Slovakia. After a preliminary screening (e.g. branches of foreign banks and some specialty "banks" were excluded) the project ultimately offered its services to 15 Slovak banks and Slovak Bankers Association. Eight banks became clients.

Over the course of this project, our advisors: strengthened and organized credit processes at several banks; reviewed and reinforced loan classification procedures; improved bank procedure manuals; assessed in-house risk grading systems for commercial loans and issued recommendations on how to improve and supplement those systems. They trained loan officers to deal with credit problems before the problems become intractable and to assess the respective position of the bank and the borrower once problems develop, and to design a workable revitalization plan for the borrower. Our assistance instituted risk control mechanisms for treasury product trading and back office operations to insure compliance with regulatory requirements and internal risk control standards. The advisory team produced a trainer's manual on "early warning signs and revitalization" and disseminated copies of this "tool kit" to all Slovak banks and

their branches. Because of this project Slovak bankers are much better prepared to adjust swiftly to the international banking style.

The human capital of the banking sector has been significantly enhanced by this activity: At least 580 bankers were trained in critical skills. Although the benefits from this project will mainly occur over time, already there has been some significant short term impact: 20 percent of commercial loans made in Slovakia are now subject to more consistent credit standards and more frequent evaluation procedures; loan classification procedures at 5 major Slovak banks, accounting for 50 percent of loans made in Slovakia, now comply with national and international standards. Two hundred loan officers were trained in early detection of problem loans and motivated to workout problem loans earlier rather than later. These efforts, combined with earlier assistance, have effected at least half of Slovakia's loan portfolio. The assistance improved in-house credit risk evaluation skills and procedures at banks holding at least 30% of Slovakia's loan portfolio. The credit process at the majority of privately owned banks was modified to meet the international standards, which now apply to at least 25% of Slovakia's loan portfolio. All bank examiners at the NBS were taught to understand foreign exchange operations.

Progress Toward Banking Indicator Targets:

SK value of long-term customer deposits: From 1995 to 1997 long-term customer deposits (measured as the portion of time deposits in household savings held by Slovak banks) rose from 9.6 billion to 15 billion Slovak crowns.

Loan loss reserves: Although the government failed to stimulate the process with basic tax and legal reforms and did not allow banks to replenish their capital accounts, the banks have come a long way in identifying and classifying risks in their loan portfolios. Still, the reserves of the former state-owned banks are not yet sufficient to cover all risks. Our advisors estimate that the 1996 amount of accumulated loan loss reserves (14% of total loans) to be approximately half of what it should be.

The three non-private banks are still below the minimum Basle capital adequacy ratio of 8% and will operate until the end of 1998 under an exemption granted by the National Bank of Slovakia. Any material change for the better will involve a political decision.

By increasing skills, our assistance contributed to the growth in the percent of assets held by private banks (from 30% to 36%) and to the corresponding reduction of the assets held by the banks influenced or controlled by the government. By offering better quality services, greater variety of products and more

flexibility the private banks have become formidable competitors of the public banks.

Lending to private sector outperformed our expectations. During the first half of 1997 it rose to 213 billion SK (compared to 165 billion SK in 1995).

Long-term credit hovered around 125 billion SK. There are a number of possible explanations for underperformance of this indicator. Firms and households find that longer-term loans are increasingly difficult to obtain. The most probable is that the National Bank's fight against inflation causes high interest rates that discourage long term borrowing.

More Effective Supervision of Banks

The **Bank Supervision Project** was part of a closely coordinated donor effort, and was one of the most successful projects in USAID Slovakia's portfolio over the past four years. Cooperation among the partners, including the National Bank, was excellent, and all important results were achieved. USAID Slovakia's objective with this activity was to train the entire on site bank supervision unit of the NBS and that has been accomplished.

In terms of both its short term impact and potential long term benefit, this has been one of the most successful projects that USAID Slovakia has undertaken in terms of: impact per dollar spent, trouble-free management, and counterpart receptivity. Exceptions are cases where for political reasons the tools acquired cannot be applied in the present environment. However, the basic capacity to effectively supervise Slovak banks is now in place.

Specifically, as a result of this activity the BSD now has all of the procedures, manuals, computer software and training that they need to carry on normal supervision and to handle a large bank crisis. They have enough qualified people to handle the normal course of bank supervision requirements and some smaller bank crises. As they hire new people, the on site supervision unit does have the capacity to train these new people without expatriate help (a result of train-the-trainer component of the project). In other words, in the judgement of our adviser, the on-site supervision unit is now self-sustaining.

This activity is supplemented by the work of other donors, who have been actively supporting the Bank Supervision Division of the NBS for the past four years. EU Phare supported a full-time resident advisor to the off-site supervision unit from 1993 until 1997.

FSVC worked closely with this advisor and brought in still more specialists. We supplemented that work by sending groups of Bank

Supervision unit management and staff to the U.S. under participant training (PTPE/Transit). There are approximately a dozen staff in the on-site unit. We have trained them all.

The primary indicator target was 30 percent of all banks examined in 1997 and 60 percent in 1998, moving to 75 percent by 2000. The staff is capable of examining 30 percent (9 banks) of banks during 1997, but they have instead been focusing on fewer, larger, banks (accounting for more than 30 percent of bank resources). While the target was not literally met, in principle it was. The On-Site Supervision Department has proved capable of dealing with a number of difficult bank situations. The department has been "battle tested" and passed the test. All but one on site supervisor have had successful on-site training in the United States. At least 75% of the original BSD staff received training in advanced topics. The bank supervision authority has developed an internal training program for inspectors. This is contributing to a self sustaining BSD.

Liquidity of Securities Markets Increased

FSVC has been the major resource for our **capital markets and financial sector Activity**. The two primary purposes of this part of FSVC's work were: (1) to build an appropriate regulatory framework that will attract capital, and (2) to push the market evolution towards being a mechanism that raises capital rather than only a privatization or "liquidity" mechanism for investors.

The **Slovak State Office of Supervision Over the Capital Markets (SC)** was the primary counterpart in work aimed at ensuring that the appropriate regulatory framework is in place. Slovakia's long-term goal is to have an independent regulatory agency. At present, the SC remains a separate agency largely subordinated to the MoF. The Slovak Ministry of Finance (MoF) has stated its goal to evolve this agency into a full-fledged independent Securities Commission. The target date for establishing the independent commission is year-end 1999.

FSVC's tactic has been to build the technical skills and competency of the SC so that the MoF may be compelled to delegate authorities to the SC. The FSVC also provided a long term advisor who advised the SC on a variety of subjects including the drafting of securities and investment company laws, appropriate investor protections, movement towards recognizing the concept of an SRO, greater rule-making authority for government agencies, and increased standards for securities professionals. FSVC has been asked by the SC for assistance in drafting legislation (see below), but approval and empowerment will largely depend on the results of the September election.

Other FSVC/SC project activities included training in on site examination of investment funds, legal commentary pertaining to

regulation of manipulative trading activities and advice on establishing a capital market surveillance system.

FSVC had a productive relationship with the **Bratislava Stock Exchange (BSE)**. Generally speaking, the BSE appears to be making progress, but for a number of reasons, at a slower rate than some of the other exchanges in the region. First, the largest shareholders of the BSE are the major banks, and not the trading members of the BSE. Secondly, the management of the BSE lacks the influential people that could make it more assertive. Third, the BSE tends to have a very peripheral role in the economy largely because it is not viewed as a capital-raising mechanism.

Over the past three years, FSVC attempted to foster the transition of the **Association of Securities Dealers (ASD)** into a Self Regulating Organization (SRO) for broker/dealers. An SRO now exists, albeit in a very embryonic stage. They have written rules of membership, a code of ethics and have set up a complaints board. However, the membership is split between those who would like the ASD to evolve into an SRO and those who want the ASD to remain more of a lobby or trade association.

The **Association of Slovak Investment Funds and Investment Managers (AISF)** has rules for membership, a code of ethics, and a complaints board. FSVC worked closely with AISF. Unfortunately, despite FSVC's efforts, it does not appear that the AISF will make any progress towards becoming a SRO soon. The industry has been full of entrepreneurs who are more interested in short-term profit or long-term empire-building than in managing peoples' assets. An investment company shake-out should leave an industry that is smaller but more professional and has the trust of retail investors.

FSVC developed a substantive working relationship with the **National Bank of Slovakia's bank supervision department**. FSVC cooperated closely with the primary USAID bank supervision activity, and augmented it in important ways, first by sponsoring a study tour to the Kansas City Fed and second by bringing a volunteer from the KC Fed and the Federal Reserve Board of Governors to spend a week of consultation at the NBS department.

FSVC worked with the Banking Transactions Division, the team responsible for the implementation of the monetary policy of the NBS. FSVC has worked on a number of occasions with NBS on development work on monetary policy tools. Through this, a key productive relationship was created between the NBS and the New York Fed. A visit to New York by key NBS officials has been followed by in-country consultation each year. A solid partnership seems to have begun between the NBS and the New York Fed through this FSVC work.

Under its **Municipal Bond Activity** FSVC was to provide on-site volunteers to work with the municipal finance staff of the banks. Despite the successful project work of one FSVC volunteer at PolnoBank, the prospect for future work in this area is dim. The other main banks, Istrobanka and Prva Komunalna Banka (PKB), gently demurred. PKB, itself, completed a one-year training project with a French municipal bank and thus is suffering from "technical assistance fatigue."

Following a 1996 amendment to the Banking Act that permitted banks to apply for a license to offer mortgage lending, FSVC worked with both of the only two banks to receive full **mortgage banking** licenses. This included an assessment of the mortgage market and consultation on issues related to the start-up of a mortgage bank. Some aspects of this assistance, such as the development of mortgage bonds, can be replicated and thus will accelerate the macro-development of mortgage banking. However, the onset of the mortgage business has proved to be lackluster. At present, the largest obstacles hindering the development of this business are the high level of interest rates and the paucity of individuals with enough savings for a 40 percent down payment. A previous obstacle was removed with changes in the Banking Act and the mortgage agreement that allow for eviction of borrowers who default on their mortgages. Now the infrastructure is in place and the market is ready to take off as soon as financial market conditions in Slovakia improve.

In addition to their role as FSVC Country Coordinator, for the past four years the each of the three successive resident advisor's has been designated a capital markets advisor to the **Ministry of Finance**. For that reason, the FSVC office was housed in the MoF. Less was accomplished in this area than we had hoped. The current Deputy Finance Minister (DFM) has proven to be less interested in capital market development than was his predecessor and as a result change has been very slow. This environment is what necessitated highly focused technical projects with both the SC and the DCM. While it may not have the same potential momentum as high level policy discourse, it does contribute constructively to the development of the markets. With the EU working closely with the DCM in drafting the new Securities Law, FSVC assistance to the DCM has been limited to specific issues (e.g. derivatives legislation) where the United States has a reputation for stronger more effective policies than those of the EU countries.

The DCM along with the SC spent well over one year writing a new Law on Collective Investments. This law was completed in September 1997 and has been held up at the MoF for various unspecified reasons. The new Law is expected to drastically change the Investment company industry in Slovakia, therefore, it is unlikely that it will be presented to Parliament until after the September 1998 election.

B. Progress Expected Through Close out Date

This SO has is closed out, except for a few residual activities that might continue through Fiscal Year 1998. A study tour to the U.S for NBS bank supervision officials is scheduled for late summer or fall of 1998. The FSVC resident advisor departed Slovakia on March 13, 1998. Her Slovak associate will work part time until May to finalize two in-country activities: The first will assist the SC in drafting the legislation which will create an independent Securities Commission to oversee capital market activity in Slovakia. This project is scheduled to take place in April, 1998.

The second project, planned for mid-April 1998, is a consultation on Derivatives Regulation in the new Securities Legislation. If the MoF accepts a recent proposal developed with German technical assistance, the BSE will begin its derivatives market in April, 1998.

With EU assistance, the DCM recently began drafting a new Securities Law, but it is unlikely it will be presented to Parliament before the September 1998 elections. The EU has committed to provide continued assistance throughout the drafting process.

We are contemplating the obligation of a modest amount of deob money for use by the Bureau and FSVC regional office in Budapest for emergencies (e.g., a bank failure) or highly targeted and limited assistance (e.g. one or two seminars a year on special topics on bank management or supervision) between now and September 1999. Such work should focus on high level policy because that is where leverage can be obtained.

We expect the British Know How Fund and other European donors to continue to assist selected financial institutions with training, legislative drafting, and so on.

If other donors do not respond, a case might be made for using regional FSVC assistance for occasional, highly targeted, very short term advice and assistance or seminars in the year and a half before final USAID close out. However, it is also fair to ask why the NBS should not be expected to pay for its own consultants in the future, since they appear to have ample money to expend on buildings, facilities and other costly overhead expenditures.

C. Activity Expected After Close out

At this time we do not foresee the need for post presence activities. To the extent that additional specialized expertise would further enhance the capabilities of the system, other

donors such as the British Know How Fund, the German assistance fund and EU Phare, should be able to fill the gap.

We are not recommending post presence activities in banking. Slovak bankers know and understand [their] problems and know how to solve them. They know how to make good loans. They know how to recognize early warning signs of forthcoming problems and are dealing with them."

Technical assistance in accomplishing these reforms will be available through EU/PHARE and other European donors.

Much of what remains in bank supervision is a matter of NBS management's willingness to go forward with recommendations that the advisor has made to them for more than three years. This implies a stronger role and status of the BSD within the NBS. As long as a few of the key people remain (notably the head of the on-site unit), the unit is also sustainable in the long run because they have the internal capacity to train new recruits. They need more examiners for the large banks. They should have about 25 examiners and they now have 10 to 12. They have difficulty finding qualified people because they have high standards (only 2 of 55 applicants were hired in the last round).

Absent a major collapse of the banking sector, if a need arises for external assistance before mission close out, it would probably be for some short-term assistance once or twice a year to give advanced seminars in special topics such as foreign exchange, computers, fraud detection. This could also be provided through TA or through visits to Germany or the U.S. It seems that NBS BSD now has the basic staff and knowledge to deal with routine supervision, with smaller crises and perhaps with a large crisis on one bank. They need more staff, however, to be prepared to deal with simultaneous crises, more large banks and so on. Laws and regulations should be refined and communicated better to banks. Securities requirements for banks (i.e. policies re what banks may invest in). The latter are again matters of policy choice and implementation.

OBJECTIVE: SO 1.4			
APPROVED: 05/25/1996 COUNTRY/ORGANIZATION: USAID Slovakia			
RESULT NAME: SO 1.4: A More Competitive and Market-Responsive Private Financial Sector			
INDICATOR: Country Rating			
UNIT OF MEASURE: Standard & Poor's rating	YEAR	PLANNED	ACTUAL
SOURCE: S&P reports	1995		BBB- (base)
INDICATOR DESCRIPTION	1996		BBB-
COMMENTS: In March 1998, Moody's announced a downgrading of Slovakia's credit rating. It is therefore highly probable that S&P will soon follow suit.	1997	BBB	BBB-
	1998	BBB+	probable downgrade
	1999	A (T)	BBB- acceptable
	2000	A+	BBB acceptable

OBJECTIVE: SO 1.4			
APPROVED: 05/25/1996 COUNTRY/ORGANIZATION: USAID Slovakia			
RESULT NAME: IR 1.4.1: Liquidity of securities markets increased			
INDICATOR: SK value of secondary market trading			
UNIT OF MEASURE: SK billion value of bonds and equities	YEAR	PLANNED	ACTUAL
SOURCE: Contractor reports from MoF data	1995		0.2 (base)
INDICATOR DESCRIPTION	1996	40	114
COMMENTS:	1997	50	434
	1998	62	
	1999	80 (T)	600 acceptable
	2000	100	

OBJECTIVE:			
APPROVED: 05/25/1996 COUNTRY/ORGANIZATION: USAID Slovakia			
RESULT NAME: IR 1.4.2, Soundness of financial system improved			
INDICATOR: SK Value of long-term customer deposits			
UNIT OF MEASURE: Billion Slovak crowns.	YEAR	PLANNED	ACTUAL
SOURCE: Contractor reports from NBS data	1995		9.6 (B)
INDICATOR DESCRIPTION:	1996	11	12
COMMENTS:	1997	15	14
	1998	20	
	1999	30 (T)	25 acceptable
	2000	40	

OBJECTIVE: APPROVED: 05/26/1996 COUNTRY/ORGANIZATION: USAID Slovakia			
RESULT NAME: IR 1.4.2.1, Improved recapitalization of transitional banks			
INDICATOR: Basle capital adequacy ratio (Cooke ratio)			
UNIT OF MEASURE: percent capital SOURCE: Contractor reports of NBS data INDICATOR DESCRIPTION: COMMENTS: Progress for 1997 is an estimate. VUB and the Savings Bank both issued debt to raise capital. All 3 banks still operate under an exemption provision to meet 8% by 1998.	YEAR	PLANNED	ACTUAL
	1995		6.5 (B)
	1996	7.5	6.3
	1997	8.0	6.3
	1998	8.0 (T)	
	1999	8.5	8.0 acceptable
	2000	9.0	

OBJECTIVE: SO 1.4 APPROVED: 05/25/1996 COUNTRY/ORGANIZATION: USAID Slovakia			
RESULT NAME: IR 1.4.2.3: Actions taken to increase share of private sector in banking			
INDICATOR: Percent of assets held by private banks			
UNIT OF MEASURE: Percent of assets SOURCE: Contractor reports from bank Annual reports and NBS INDICATOR DESCRIPTION: COMMENTS:	YEAR	PLANNED	ACTUAL
	1995		30.35 (base)
	1996	32%	32%
	1997	35%	36%
	1998	50%	
	1999	60%	55% acceptable
	2000	70%	

OBJECTIVE: APPROVED: 05/25/1996 COUNTRY/ORGANIZATION: USAID Slovakia			
RESULT NAME: IR 1.4.3 Broader range of banking services offered and delivered			
INDICATOR: Lending to private sector			
UNIT OF MEASURE: Billion Slovak crowns. SOURCE: Contractor reports from NBS data INDICATOR DESCRIPTION: COMMENTS:	YEAR	PLANNED	ACTUAL
	1995		165
	1996	170	200
	1997	180	213
	1998	205	
	1999	235	230 acceptable
	2000	270	

Termination Schedule for Activities under SO 1.4

activity	1997	1998	1999	>1999
14 bank supervision (IBTCI)		3/98		
14 bank advisory project (A. Andersen at SBBAC)	11/97			
27.02 FSVC: Financial Services Volunteer Corps grant		5/98		
34 private sector housing (Urban Institute)	9/97			

SO 2.1 Increased, Better-Informed Citizens' Participation in Community, Political and Economic Decision Making

A. Performance Analysis

USAID Slovakia's democracy strategy is based on the premise that decentralization of authority and the development of a vibrant civil society are key to Slovakia's continued transition to a healthy democracy. SO 2.1 seeks to help build the foundations for a democratic culture, from which a democratic political and social system will emerge.

Less progress was made toward achievement of this SO in 1997 than was anticipated. There was little or no change in many of our performance indicators, and in a few cases a decline occurred. The reason for this sluggish performance is not clear, however, there are two factors which most likely contributed to this slow down. The first is the overall deterioration in the operating environment that has occurred during the past year.

As stated in last years R4 Update, "if the overall situation were to worsen, fear of reprisal could become an impediment to attainment of SO 2.1." Unconstitutional steps taken by the Government and Parliament this past year, has brought about a worsening in the overall situation.

Our critical assumption for achievement of this SO was that the Constitution and Constitutional Rights of Citizens will be Upheld and Respected. Twice in the past year rulings by the Constitutional Court were not respected. Most notably, the Government, contrary to the Constitutional Court's ruling, refused to permit a question on direct election of the President to be included on the ballot during the May 23-24 referendum. Interior Minister Gustav Krajci, at the direction of the Government, ordered the question regarding direct election of the President removed from the ballot. Citizens largely boycotted the referendum and the Central Referendum Committee declared the vote null and void. Charges brought against the Minister for his role in the affair were dropped by the Prosecutor General's office for lack of evidence, despite an initial recommendation to bring charges. The Government recently granted amnesty to all who may have been involved with criminal offenses committed in connection with the preparation and execution of this referendum.

The second breach of the constitution occurred when Parliament refused to reinstate Deputy Frantisek Gaulieder following the Constitutional Court's ruling in July that Gaulieder's ouster was unconstitutional. Deputy Gaulieder was deprived of his mandate when he left the HZDS club of deputies in November 1996. The Constitutional Court has stated that the Parliament is in violation of the Constitution by not returning Gaulieder's mandate. The Government has ignored repeated calls by the

European Parliament and other international bodies to obey the Constitutional Court's ruling. These are the first clearly unconstitutional acts of the Slovak Government and have called into question the GoS' commitment to rule of law and a constitutional state. These actions have heightened fears about the lengths this Government will go to achieve its ends, and have raised doubts about whether the 1998 parliamentary elections will be free and fair.

The second factor likely contributing to sluggish performance is that our assistance is reaching a point of diminishing returns. We are seeking to bring about changes in the population as a whole, a difficult and lengthy proposition. We, therefore, cannot expect the dramatic changes seen in past years to continue at the same rate. Nor can we expect the assistance we provide to significantly effect the rate of this change. This raises the question of whether the targets set out two year ago were realistic and represent the minimum necessary to achieve a sustainable level of democratic transition. More recent examination of these targets indicates that some of the targets set originally were, in fact, excessive, and a lower threshold would suffice in many cases.

This also raises a larger question about what is a reasonable time frame for the transition to democracy to take place. In Option 3 of the DG Assessment Paper from November 1997, USAID Slovakia lays out the view that changing attitudes and behaviors is a long-term process, and it is the completion of this slow transformation which needs to take place to consolidate Slovakia's democratic transition. However, the assistance necessary to continue to support this transition may no longer be the technical assistance which has been at the center of our democracy strategy. Rather an emphasis on exchanges and training, partnerships and linkages would seem to be a more cost-effective means of supporting this long-drawn process.

Increased Acceptance of Democratic (Civic) Values

A serious obstacle to increased citizens' participation is the apathy of Slovak citizens and their acceptance of the undemocratic practices of the government. Through educational activities such as the Orava Educational Reform Project and the ABA/CEELI Street Law Project, USAID seeks to increase the acceptance of democratic (civic) values so that citizens' will understand that in a democracy, it is not just their right, but also their responsibility, to participate.

The results of a recent USAID-contracted nationwide sociological survey shows no change from last year in the number of citizens' who profess a preference for democratic principles in the political sphere. The proportion of those who professed non-democratic principles slightly decreased, however, in favor of

the hybrid group (those who profess a preference for a combination of democratic and non-democratic principles). The data analysis reveals that level of education is a significant factor in determining those who support democratic principles and those who do not, with support for democratic political principles steadily increasing with the level of education of the respondents. For example, democratic principles are professed by 47% of respondents with an elementary education as opposed to 78% of respondents with a university degree. As levels of education within the population as a whole are unlikely to change significantly in the short term, it can be expected that increases in the percentage of respondents who support democratic political principles will be substantially more gradual in the future.

The **Orava Education Reform Project** is a collaborative educational reform/civic education program designed to introduce democratic teaching practices into Slovak basic schools and reform the curriculum for training new teachers. In its fourth of a planned six year effort, this program has received overwhelming support from teachers and administrators. In 1997, the project entered into an intensive phase of expansion and institutionalization.

The Orava Project began cooperation with two additional school districts and a second university faculty. The first group of core teacher leaders from the Orava region began their own core teacher leader groups last Fall, and are training future teacher trainers in democratic education instructional practices. The Pedagogical Faculty at Comenius University fully adopted the Orava Project's graduate-level educational leadership program into their program of study and finalized plans for delivery of this program through the University starting in the Fall of 1997.

This program has also been adopted by the Methods Center in Banska Bystrica as their program for certification of school directors. Over 1,000 participants have taken part in workshops under this program to date. Over 100 core teacher leaders have been trained under the Orava Project to date and conducted workshops of their own for more than 1000 in-service teachers last year. This process of institutionalization and rapid dissemination will continue through the Project's end in June 1999 at which time, more than 4,000 teachers will have been trained in Orava Project methodologies.

To address the comparatively low level of citizen awareness of their legal rights, **the American Bar Association through its Central and East European Law Initiative (ABA/CEELI)** is working with a Slovak NGO on a series of "Street Law" pamphlets to increase awareness of rule of law. The five pamphlets published under this series in 1997 were: Consumer Rights, Citizens' Participation in Public Life, A Citizen and the Police, Employee and Employer, and Solving Conflict. Due to the large demand for

these pamphlets a second printing of these five pamphlets was necessary. The pamphlets were also translated into Hungarian. A second series of five pamphlets addressing human rights topics will be published in 1998.

ABA-CEELI is also fostering the modernization of legal education through its development of a program of clinical legal education at Comenius Law Faculty. Simulation and externship clinics in commercial and contract law are already underway. An in-house clinic for disabled persons is expected to be operational on a trial basis beginning in Spring 1998.

CEELI works to strengthen the judiciary through its work with the Slovak Judges Association (ASJ). The adoption of a judicial code of ethics did not occur as expected in 1997. The code was to be adopted at the ASJ's annual meeting in November. The ASJ decided to postpone the adoption of the code, however, when it became clear that there was hesitancy among some of its members who were not clear about the need for such a code. The leadership of ASJ is convinced of the need for and utility of such a code, so has decided to engage in a program of education for its members, to address their concerns and answer questions about the need for the code. They hope the code can be adopted at the annual meeting in 1998. ABA/CEELI is helping with this education effort by organizing a series of seminars, in cooperation with the judicial ethics committee of the ASJ, for this purpose.

Increased Ability to Participate

In order for citizens to participate, they need to have the means which will allow them to do so effectively. Civil Society Organizations (CSOs) such as non-governmental organizations, political parties, trade unions, interest groups and professional associations, are an important means for protecting the interests of citizens and for providing citizens with a way to affect policy decisions. USAID's strategy calls for strengthening CSOs to increase their ability to represent the interests of their constituencies and to serve as a collective means to ensure that citizens are heard by their government.

The AFL-CIO's American Center for International Labor Solidarity (ACILS) continued its work with the Confederation of Trade Unions (KOZ) to improve the quality of participation by Slovak trade unions in policy-making, legislation, collective bargaining and workers representation at the local, regional and national level. ACILS efforts to support education, research and consulting and local outreach programs continued with the aim of assisting branch affiliate unions during their 1997 negotiations. 176 Slovak trade unionists were trained in collective bargaining issues during 1997. ACILS also assisted KOZ in the creation of their new regional union councils. To date, 77 leaders have been trained under the regional training program.

In the Fall, ACILS conducted an intensive training program for thirteen KOZ leaders in organizing internal collective bargaining campaigns at the enterprise and branch levels. These leaders are now utilizing these new methods in their own work and conducting training on their own within their branch unions.

Relevant sections of the AFL-CIO's publication "America@Work" have been translated and distributed widely to Slovak branch union leaders. These publications have generated substantial interest on the part of Slovak unions as seen in the increased number of requests for research and advice on selected issues of concern to them. The goal of this and related activities is to encourage the development of analytical tools which will assist Slovak leaders to develop stronger, more pro-active responses to the difficult issues facing them.

The International Republican Institute (IRI) concentrated its 1997 activities in three main areas: a youth-get-out-the-vote (GOTV) campaign, communications training, and political polling. In April and May, IRI sponsored a get out the vote project for the referendum on direct presidential elections and NATO membership. The "Youth to the Referendum" project joined the youth political organizations (YPOs) of nine parties from across the political spectrum in executing a campaign to encourage young people to vote. While the circumstances surrounding the May referendum made it impossible to ascertain an impact on youth turnout, the project was successful in mobilizing young people to take part in the campaign and as a training exercise. For most participants, it was their first experience in designing and running a political campaign.

Throughout the year, IRI's resident program officer conducted communications training and video-coaching for politicians and youth political activists. The workshops were scheduled at the request of parties and were designed to help improve public speaking and presentation skills. In September, IRI began its program of national party and youth political organization training in preparation for the 1998 elections. The first two components of the program were two public opinion polls - one of the population at large and one of first-time voters. Parties and YPOs were invited to write individual sections of the poll - nine parties and ten YPOs took part. IRI also brought two volunteer trainers to Slovakia to conduct training on political polling and public speaking. IRI continued its regular mailings to past seminar participants on political topics.

The National Democratic Institute (NDI) is working to train Slovak community organizers to implement grassroots issue campaigns that engage citizens in helping define and resolve local issues in cooperation with local government, business and community leaders. In 1997, a core group of five trainees continued in their training under the guidance of NDI's resident

community organizer, and at the same time, internalized the training by doing practical community organizing work in three communities in Central Slovakia.

Two of these local communities achieved success in reaching the objectives they set for their first issues. In Sasova, a housing development in the city of Banska Bystrica, the neighborhood group organized by the NDI trainee focused on crime and safety as its issue. Through meetings with local police and municipal officials, the group was able to increase police patrols in the neighborhood and is working to identify other ways to improve safety in this neighborhood.

In the Fall of 1997, NDI expanded its program to the towns of Zilina and Nitra, and to the rural community of Litava in Western Slovakia. Five new community organizers have begun their training with the NDI resident community organizer. NDI has also begun the process of creating self-sustaining NGO and neighborhood associations, and is working to establish a nationwide network of community organizers in Slovakia to pursue issues of mutual interest by developing collective strategies and pooling resources to implement those strategies in a coordinated fashion. This network is expected to help ensure indigenous capacity exists to carry on the community organizing work after NDI and USAID support ends.

In support of the Parliamentary and local elections scheduled for 1998, NDI has submitted a proposal to USAID to carry out an **"Election Monitoring Program"** in Slovakia to supplement an NED-funded voter education and monitoring program. USAID has responded favorably to this proposal and under this program NDI will be (1) conducting a pre-election mission by a small international group of eminent politicians to assess the pre-election environment, including the effect of relevant legislative changes, the ability of political parties to campaign freely, media access and fairness, voter registration and election administration preparations; and (2) organizing a domestic, nonpartisan election day observation of both parliamentary and local elections. This activity is expected to be operational by mid-May 1998.

The Democracy Network Program is contributing to a broadened understanding among Slovak NGOs and the wider community of the importance of advocacy and public policy, and to deepening their appreciation of the relevance of policy to program goals. This three year Program is nearing completion in Slovakia. The Program awarded subgrants to 48 Slovak non-governmental organizations (NGOs) in excess of \$1.1 million to carry out activities designed to influence the formulation and implementation of public policy, to educate government officials about issues or a policy position, and/or to increase citizen involvement in the policy making process by increasing their

awareness and knowledge of issues which affect them.

Sub-grantees have been successful in affecting the implementation and formulation of legislation and public policy at the national and local level; in acting as a forum for public debate and advocacy of issues; and in providing publicly beneficial services to improve quality of life, social, economic and political conditions. For example, the Association of Independent Radio Broadcasters supported the campaign of the Slovak Publishers' Association against an increase in the Value Added Tax on periodicals. The Association also conducted an information campaign for Slovak taxpayers on the importance of the system of dual broadcasting, advocating for fair application of existing legislation and for maintaining equality in the system. The Association through its DemNet grant has strengthened its ability to communicate its concerns, represent the interests of its constituency, mobilize the media community, and act as an effective partner in its dealings with state regulatory bodies.

The Forest Protection Association "Wolf" continued its petition campaign calling for changes in legislation governing use of forest land, water management, hunting, and the law on weapons and ammunition. Through its lobbying efforts, the Civic Association "Return" succeeded in pushing through important changes in the Law on Social Assistance and in the Directive on Children's Homes. Lobbying work continues to try and bring about changes in the proposed Laws on Family and Foster Care. The Association also prevented passage of the Bill on International Adoption which would have eliminated even the already small possibility for international adoption in Slovakia.

Additionally, the Democracy Network Program has conducted 128 training events attended by over 2,000 individuals on topics such as organizational development and management, human resources and staff development, financial management and fund-raising to enhance the institutional capacity and organizational sustainability of Slovak NGOs. Finally, the Program has helped increase public awareness of the importance of the NGO sector.

Expanded, More Effective and Independent Media

In order to determine what their interests are and to participate effectively in the public realm, citizens must have access to objective information. An independent, effective media is key to providing citizens with this information. Additionally, the media provides an important check on the behavior of public institutions. The ability of the media to investigate and analyze events and problems is critical both to the quantity and quality of information to which citizens have access.

The Professional Media Program started 1997 on shaky ground. Limited results combined with a faulty strategy had led the

Program off-course. However, by the end of the year a notable turn around had taken place and ProMedia ended the year well positioned to move forward on a comprehensive program of assistance to strengthen Slovakia's independent media.

At the beginning of the year, the Program's strategy was focused on improving the financial prospects of media by educating business on the importance of advertising and marketing, and on trying to foster foreign investment in local media. In the latter half of 1997, after intensive consultation with USAID, this strategy was discarded because of limited results and a new direction was adopted. The new strategy concentrates on making the media more effective and professional. In keeping with this approach, a new training program, using local experts, was designed to improve professional skills and production techniques of local radio and TV stations. To date, six local TV stations and one local radio station have received training under this program, and improvements in their program quality are clearly visible.

In October, ProMedia, in partnership with the Association of Independent Radio Stations, commissioned the most comprehensive market research ever conducted in Slovakia. For the first time, market research for local radio stations throughout the country is available. Individualized training will be done for these stations to teach them how to use this research to improve their programming and sales and marketing techniques. ProMedia also provided the SSN with a grant for computer equipment and Internet access to connect its 8 newly established regional offices. The equipment will allow the SSN to create an internal network to improve the flow of information between media in the regions and the capital, and to enhance the Syndicate's ability to service the needs of its members in the regions. This network will be used by the SSN to monitor media coverage of the 1998 elections.

B. Expected Progress Through Close out

USAID Slovakia in its Results Review Report dated April, 1997 expected that SO 2.1 would be achievable by the end of FY99. We still anticipate that an adequate level of progress will be made toward achieving the targets established to ensure the ultimate achievement of the SO. These targets are laid out in the Performance Data Tables that follow. However, an area of weakness is apparent centered around IR 2.1.2: increased ability to participate, which would indicate that more time and targeted support is called for to secure this SO. To address this weakness, USAID Slovakia will provide a grant to an indigenous grant-making organization to provide limited financial support during the next five years to NGOs to carry out democracy building activities and support the continued democratic transition.

C. Activity Expected After Close Out

USAID Slovakia will be issuing in FY98 a request for applications to award a cooperative agreement to an indigenous grant making organization (IGMO) to provide targeted assistance toward achievement of IR 2.1.2. beyond the close out of the USAID presence in country. The IGMO will provide small grant assistance to NGOs to carry out democracy-building activities and to deepen and strengthen transition reforms critical to establishing a flourishing democracy. This activity will contribute directly to the achievement of Strategic Objective 2.1: Increased, Better Informed Citizen's Participation in Community Political and Economic Decision Making, particularly to IR 2.1.2: Increased ability to participate, as it will promote a critical mass of better informed citizens who can make themselves heard by the government.

The IGMO will also provide an interim funding source, until other funds become available (such as the Civil Trust and/or domestic sources) to support the NGO sector, particularly as it relates to increased citizen participation. NGOs are an important avenue for citizens to express their views vis-a-vis the Government, and to participate in the political process. As the tradition of representative government is still under development it is important to support these democracy building activities in the short term. The IGMO is intended to ease the transition of Slovakia from a SEED assistance country to a non-presence country.

The time period between the upcoming parliamentary elections and the next scheduled elections in four years will be a critical period for the consolidation of democracy in Slovakia. Additional funding is being requested in FY99, to address the remaining democracy deficits. The specific activities will depend on the outcome of elections in 1998 and the policies of the next government.

OBJECTIVE: SO 2.1 : Increased, Better Informed Citizens' Participation in Community, Political and Economic Decision Making			
APPROVED: 05/25/1996		COUNTRY/ORGANIZATION: USAID Slovakia	
RESULT NAME: IR 2.1.1: Increased Acceptance of Democratic (Civic) Values			
INDICATOR: Proportion of citizens reporting preference for democratic principles in political life.			
UNIT OF MEASURE: Percentage	YEAR	PLANNED	ACTUAL
SOURCE: FOCUS Survey	1995 (B)		47
INDICATOR DESCRIPTION: Response to a set of questions indicating preference for democratic principles	1996	57	59
	1997	65	58
	1998	70	
	1999 (T)	75	
	2000	60 Acceptable	
COMMENTS: The targets established for this indicator were in excess of what is necessary to indicate a transition to democracy. 60% of citizens reporting support for democratic principles combined with a continued decline in the percentage of citizens reporting support for non-democratic principles would be an acceptable level for graduation of this IR. This would indicate that a clear majority of the population supports democratic behaviors in the political realm, and that the trend is in this direction. See narrative for further discussion of this indicator.			

OBJECTIVE: SO 2.1: Increased, Better Informed Citizens' Participation in Community, Political and Economic Decision Making			
APPROVED: 05/25/1996		COUNTRY/ORGANIZATION: USAID Slovakia	
RESULT NAME: IR 2.1.1: Increased Acceptance of Democratic (Civic) Values			
INDICATOR: Teachers trained in democratic instructions methods			
UNIT OF MEASURE: Number/year	YEAR	PLANNED	ACTUAL
SOURCE: University of Northern Iowa, Orava Project	1994 (B)		0
	1995		24/0
INDICATOR DESCRIPTION: Slovak teachers trained as trainers/ Teachers trained by Slovak trainers	1996	36/300	61/600
	1997	72/1300	106/1042
	1998	96/2,350	
COMMENTS: A core group of 120 teacher trainers will be an acceptable level of attainment for this indicator.	1999 (T)	120/4,000	

OBJECTIVE: SO 2.1: Increased, Better Informed Citizens' Participation in Community, Political and Economic Decision Making
APPROVED: 05/25/1996 **COUNTRY/ORGANIZATION:** USAID Slovakia

RESULT NAME: IR 2.1.2: Increased ability to participate

INDICATOR: Membership in political parties, NGOs, trade unions

UNIT OF MEASURE: Percentage

SOURCE: FOCUS Survey

INDICATOR DESCRIPTION: Proportion of the population organized in NGOs / trade unions / political parties

COMMENTS: The reason for this decline in proportion of the population organized in civic society organizations is not clear in all cases. The decline in trade unions is most likely due to the fact that TUs have lost their base in many of the newly privatized firms and have not established a base in the new companies that have been established since 1989. The Law on Foundations went into effect Sept. 1, 1996, and required those NGOs registered as foundations to re-register before Sept. 1, 1997 under the terms of the new Law. Many inactive NGOs simply went out of business, others re-registered as different legal forms. The delay in enacting two other key pieces of status legislation added to the uncertainty. As a result of the general atmosphere of uncertainty in 1997, some people involved in NGOs left the sector to find more secure futures, and some less active NGOs chose not to re-register. Political parties should have begun gearing up for the 1998 elections, so the decline in membership is puzzling and disturbing. Stabilization of membership in these CSOs at the targeted 1996 levels would be an acceptable level of achievement.

YEAR	PLANNED	ACTUAL
1994 (B)		15/32/8
1996		24/27/9
1997	27/30/13	19/22/9
1998	30/35/20	
1999 (T)	38/40/25	

OBJECTIVE: SO 2.1: Increased, Better Informed Citizens' Participation in Community, Political and Economic Decision Making			
APPROVED: 05/25/1996		COUNTRY/ORGANIZATION: USAID Slovakia	
RESULT NAME: IR 2.1.3: Expanded, more effective and independent media			
INDICATOR: Degree of press freedom			
UNIT OF MEASURE: Degree	YEAR	PLANNED	ACTUAL
SOURCE: Freedom House rating annual survey	1994 (B)		Partly free
INDICATOR DESCRIPTION: Degree based on Freedom House Rating	1996		Partly free
COMMENTS: There has been no change in the rating since 1994, nor do we expect there to be one before 1999.	1997	No change	Partly free
	1998	No change	
	1999 (T)	Free	

Termination Schedule for Activities under SO 2.1

activity	1997	1998	1999	>1999*
21 int'l foundation electoral systems		12/98		
21.01 educational reform (ORAVA)			9/99	
21.05 community organizing (NDI)			9/99	
21.05 political party development			6/99	
21.08 free trade union institute			9/99	
21.14 democracy advisor (PSCs)			9/99	
22.01 promedia program (IREX)			9/99	
22.02 media training (USIA)			9/99	
23.07 small project assistance		6/98		
24.01 rural community capacity bldg			6/99	
32.09 democracy network (FCS)		8/98		
32 NGO support			12/04	
(ICNL)		5/99		
(NFF / Freedom House)		8/98		
ABA/CEELI (formerly SO 4.1)			9/99	
democracy commission small grants			9/99	

*If performance funds are available, there may be additional activities in FY99.

SO 2.3 More Effective, Responsive and Accountable Local Government

A. Performance Analysis

SO 2.3 represents the second half of USAID Slovakia's democracy strategy which seeks to promote the decentralization of authority and support the development of a vibrant civil society. While SO 2.1 seeks to develop the tradition of civic participation, and increase the ability of citizens' to play an active and constructive role in the public realm, SO 2.3 seeks to develop the tradition of good governance, and improve the ability of local government, the level of government closest to the people, to serve the needs of the citizens they represent and to manage the public resources for which they have responsibility.

Progress toward achieving this SO surpassed expectations and targets established were exceeded in the majority of cases.

Improved Capability to Deliver Services and Manage Resources Efficiently

This IR is key to creating a more effective local government. A municipality is a complex organization requiring a variety of skills, systems and processes in order to operate effectively. Managing municipal affairs requires a wide range of skills, both technical and organizational.

In 1996, the development of 'best practices' was the first step toward addressing improved delivery of services and effective management of resources. **Research Triangle Institute (RTI)** has developed best practices in four main areas: municipal service delivery; real property management; capital project financing; and municipal financial management. In 1997, the emphasis was on dissemination of these best practices. At this point in time most cities in Slovakia of over 2,000 have used one or more of these best practices. Part of this dissemination includes the writing up of case studies and, in some instances, turning these case studies into training modules.

One of the best practices developed under the RTI project is the model Citizen's Budget for the city of Lucenec. This Budget has been published in an easy to read pamphlet designed to be user friendly to the citizens of Lucenec, while providing them with valuable information about the priorities and plans of their local government for 1997. This is the first time a city budget has been tailored to be easily usable by citizens. The Financial Officers Association (FOA) and the City Managers Association (CMA) are distributing this best practice to their members.

ICMA's comprehensive local government training program, designed to improve the capability of local public officials - both

elected and professional staff - to manage and govern municipal affairs, is at the heart of our efforts to attain this IR. The training program consists of seven series: (1) the Elected Leadership Series; (2) the Financial Management Series; (3) the General Management Series; (4) the Line Management/Total Quality Maintenance Series; (5) the Physical Planning Series; (6) the Community Outreach Series; and (7) Capacity Building and Institutional Support. Materials development and the training of trainers is still on-going, but this process will be finished by July 1998. During 1997, some 2,000 participants were trained through workshops conducted by the Training Foundation and other local institutions with which ICMA cooperates in these subject areas.

Strengthened Local Government Professional Associations

Work has continued with key municipal and professional associations to provide services to their members and represent their interests. As a result, the Slovak City Managers Association is now contractually affiliated with the International City County Managers Association (ICMA), the Slovak Finance Officers are in the process of affiliating with Government Finance Officers Association (GFOA) and the Association of Public Interest Enterprises will be affiliating with the American Public Works Association (APWA). These associations are involved in developing programs and providing training for their members, and commenting on and advocating for relevant legislation and policy which has a direct bearing on their work.

Work with the Association of Towns and Villages (ZMOS), the largest municipal association, representing nearly 90% of all municipalities, was intensified in 1997. RTI has helped ZMOS to streamline its organizational structure which has resulted in improved communication systems within the association, and a restructuring of its financial processes. Through LSGAC efforts, such as a membership survey and the creation of an "innovative practices" column in the ZMOS newsletter, ZMOS leadership has become more conscious of their responsibility to provide training and services to its members, and now places greater importance on this role.

Increased Decentralization and Rationalization of Authority and Resources

It is primarily through the municipal associations that work to further decentralization from central to local government is carried out. As part of this effort, the Intergovernmental Advisory Committee was established to promote dialogue between the Parliament, the Government, and local government bodies on issues of public administration restructuring, such as competencies of different levels of government and fiscal

decentralization. RTI has worked with ZMOS to develop policy positions on these issues, and to develop its research capacity to be able to define and promote the interests of local government in the future. The Advisory Committee served as the steering committee for organizing the Fiscal Decentralization Initiative conference in Slovakia in February 1998, the first ever public debate of these issues.

While municipalities have substantial authority already, they do not control many functions which are generally carried out by local governments in a decentralized state. For instance, the state has retained significant policy and regulatory roles in housing and water management.

Through the **Environmental Health Project** we have been working to facilitate the creation of a legislative, Ministerial and political environment so that cities and towns can acquire control over the water and sewage operations serving their communities from the now centrally controlled VAKs (VaK - Vodarne a Kanalizacie). At the beginning of 1997 no municipalities had obtained this control and rates were set by the Parliament. As a result of EHP's long-term advisory efforts, in close cooperation with ZMOS, two municipalities had received control over their water and sewer systems by the end of 1997, 12 others had approval to go ahead and 588 had applied for permission to transform. The Finance Ministry has agreed that transformed systems are free from the Parliament rate ceiling, subject only to final approval of new rates by the Minister of Finance. Further, operating assets are being transferred along with capital assets at no cost.

LSGAC is providing advice to groups who are interested in transforming, on issues of structure and form of the transfer, and on managing their new responsibilities. LSGAC is working with the Ministry to develop a "Public Utility Commission" format to allow for equitable rate review at the Ministry as well to allow for citizen and stakeholder input into the process.

The operating environment for the **Urban Institutes' (UI) Housing Privatization and Management of the Local Housing Stock Program** remained fairly constant in 1997. Technically all housing privatization sales contracts requested by sitting tenants were to be finalized by July 1997. This deadline was established in the amendment to Law 182, passed in 1995. Most local governments were not able to comply with the deadline, so legislators extended the deadline to allow privatization to continue.

The privatization process was in full swing in 1997, with some municipalities having completed their sales and others having just begun to privatize. Although official statistics on housing privatization are not kept, program experience indicates that on average approximately 40% of the municipal housing stock in

Slovakia was privatized by the end of 1997. Since most local governments are targeting 10-20% as public rental housing, it is estimated that approximately one-half of targeted units have been privatized. By the end of 1997 there was a marked increase in the number of municipalities with housing privatization policies rated (1) "good", reaching 52%. This number exceeds the target of 50% set for 1997. It also represents a 116% increase in the "good" category from 1996.

As a result of privatization, there has been a rapid proliferation of owners' associations throughout the country. Regional educational centers (VICs) have focused their efforts in part on advising local governments to facilitate the establishment of owners' associations in order to support the management and renovation of the privatized housing stock. As a result, an estimated 1,900 owners associations have been established, with more than one-quarter of them located in East Slovakia region (Kosice). This has had a favorable impact on the growth of the Union of Associations of Home Owners (UAHO), which has more than doubled its membership base over 1997 to 111 associations, and expanded its membership base to all regions of Slovakia. Condominium renovation continued to be impeded by relatively unattractive financing terms, lenders' lack of familiarity with condominium renovation loans, and a low level of capital reserves in most buildings.

B. Expected Progress Through Close Out

FY98 is the final year of funding for SO 2.3. Funds obligated in this FY will carry the program through FY99 and close out. We fully expect to meet all targets established for this SO in FY98, and therefore attain this SO by close out of USAID Slovakia. Between now and close out the focus of the program will be on finalizing the institutionalization of the training program to ensure that our local partners will be able to continue to train future generations of municipal public servants.

Work with the various municipal, professional, and home owners associations also will continue in 1998 with the emphasis being on addressing issues of sustainability to ensure that these associations will continue to represent the interests of their constituencies vis-a-vis the state, and to provide services to their members in the future. Work on decentralization of authorities and resources will continue through these various associations. USAID Slovakia projects that by close out of this SO these associations will have the capability to lobby for the interests' of local government before the state and legislature.

C. Activity Expected After Close out

Capacity building is at the heart of our work under SO 2.3. The Local Government Training Foundation and other local partners will continue to conduct the training which has been developed through our LSGAC efforts. The various associations we are working to strengthen will continue to represent the interests of, and serve the needs of their constituencies.

The indigenous grant making organization (IGMO) which is part of USAID Slovakia's close out plan is designed to provide small grant assistance to NGOs which carry out democracy-building activities. Municipal and local government professional associations fall into this category, so would be eligible for grants under this activity. In this manner, support for the work of these associations could continue in a limited form following USAID close out in Slovakia. The IGMO is intended to provide an interim funding source, over a limited period of time, until other funds become available (such as the Civil Trust and/or domestic sources) to support the NGO sector, particularly as it relates to citizen participation. This will ease the transition of Slovakia from a SEED assistance country to a non-presence country.

OBJECTIVE: SO 2.3: More Effective, Responsive and Accountable Local Government			
APPROVED: COUNTRY/ORGANIZATION: USAID Slovakia			
RESULT NAME: IR 2.3.1: Improved Capability to Deliver Services and Manage Resources Efficiently			
INDICATOR: Target towns using new systems/techniques for improving service delivery and resource management			
UNIT OF MEASURE: Percentage	YEAR	PLANNED	ACTUAL
SOURCE: Survey by Regional Centers for Housing Information and Education, and LSGAC survey of targeted towns	1996	15 (B)	24
INDICATOR DESCRIPTION: Use of new systems or techniques	1997	25	226
COMMENTS: There are only 115 towns in Slovakia with populations of over 5,000 which account for over half of the total population of Slovakia. We have targeted these towns for our local government assistance, although other municipalities are eligible to participate in all activities. Through the 500 municipalities we project will be using new systems and techniques by close out of this SO, we expect to affect the quality of municipal services provided to the bulk of Slovak citizens.	1998	300	
	1999	500 (T)	

OBJECTIVE: SO 2.3: More Effective, Responsive and Accountable Local Government			
APPROVED: COUNTRY/ORGANIZATION: USAID Slovakia			
RESULT NAME: IR 2.3.2.1 & 2.2: Strengthened Local Government Training Institutions			
INDICATOR: Local Training Institutions with Strengthened Training Capacity			
UNIT OF MEASURE: number of training days per year by Slovak institutions and trainers	YEAR	PLANNED	ACTUAL
SOURCE: Training center records	1996	500 (B)	1289
INDICATOR DESCRIPTION:	1997	7,000	9,838
COMMENTS: Materials development and training of trainers for new training modules continued in 1997 with all materials and TOT to be completed by July 1998. 15,000 participant training days a year is capacity for the local government training institutes and partners who will be delivering these trainings.	1998	15,000 (T)	
	1999	15,000	

OBJECTIVE: SO 2.3. More Effective, Responsive and Accountable Local Government			
APPROVED: COUNTRY/ORGANIZATION USAID Slovakia			
RESULT NAME: Strengthened Representation of Local Government Interests			
INDICATOR: Number of Authority/Resource Issues on which Lobbying Activity is Strengthened			
UNIT OF MEASURE: number of issues for which municipal associations develop positions and lobby	YEAR	PLANNED	ACTUAL
	1996	1 (B)	1
	1997	3	8
	1998	10 (T)	
	1999	10	
SOURCE: LSGAC through tracking of issues and work with municipal associations			
INDICATOR DESCRIPTION:			
COMMENTS: 10 issues a year pertaining to local government as a body is a reasonable number to expect municipal associations to take positions on and lobby for.			

Termination Schedule for Activities under SO 2.3

activity	1997	1998	1999	>1999
34 local government support (RTI)		12/98		
34 environmental health (EHP)		12/98		
34 municipal management (IC /CMA)			9/99	
34 URBAN DEVELOPMENT (pscS)	9/97			
34 housing privatization (UI)			6/99	

SO 3.3 Reduced Environmental Risks to Public Health

A. Performance Analysis

Performance under this SO generally meets expectations. The strategic objective to reduce environmental risks to public health began primarily as an environmental policy activity, but the linkage with health benefits was key from the outset. A year later, an environmental investment component (EAPS) was added, in anticipation that a significant quantity of financial resources could be mobilized to implement environmental projects, also aimed at producing health benefits.

Although there were five successful investments (3 communities and 2 companies), the pipeline of this demand-driven activity soon dwindled. It became apparent that a significant differentiable market for environmental investments, per se, does not exist. Companies tend to link environmental improvements with other capital upgrading decisions. With limited future demand in sight, this element was phased out in March 1998. The investment activity had originally been based on an EEUD and contractor assessment of "hot spots." USAID's direction has now shifted to impact at the national level.

In late 1996, as part of its ongoing portfolio consolidation and focus, and in response to demands from Slovak public health counterparts, USAID Slovakia and HIID added a third component, occupational health, and took steps to more closely integrate its health activities. This, combined with the increased cooperation between the respective Ministries of Environment and Health that have resulted from USAID funded assistance, have established a mutually reinforcing set of instruments to achieve the SO. This includes the World Environment Center, HIID and EPA activities, each working on a different key aspect of the problem. This change was noted in last year's Results Review.

Better legislation and implementation to cover environmental health risks. This intermediate result progressed in 1997 with the submission to the Slovak Legislative Committee of a draft law on Access to Environmental Information. It is expected to be considered by Parliament in 1998 and be supported by the Administration. If enacted, it will be a model for other GoS Ministries and hence help to advance SO 2.1 as well. Amendments to the Air Protection Act were developed and reviewed by industry representatives in 1997. These amendments include an innovative scheme for tradable permits to utilize market forces in reducing air pollution. At the local level, the legislation for Emissions Reduction in Banska Bystrica (the city with the most polluted air in Slovakia) was passed 1997, following USAID support in its drafting.

Improved implementation of environmental laws is supported by transfers of technology from EPA to GoS agencies, including geographic information systems (GIS), the disposal release registry and a specimen bank. To assist with the law on environmental information, a manual to guide implementation is being prepared in collaboration between the Government and the USAID advisor, while a parallel manual is being devised by NGOs.

The EPA has provided equipment and training to create the capacity for analysis of health and environmental data through the Geographic Information System. This capacity will be established to encourage cooperation among several institutions. The EPA assistance is currently establishing the government's capacity to store and manipulate records relating to environmental health.

With guidance from the USAID-contracted advisor, a Senior Management Committee was developed at the Ministry of Health to oversee implementation of a more prevention-oriented occupational health system.

Private sector managers act to reduce environmental impact on public health. To date, the emphasis has been on demonstration projects. The World Environment Center activity used demonstration projects in selected companies as a means of inducing private sector managers to adopt measures to reduce environmental effects on public health. Three of the ten major chemical companies, employing over 3,000 employees, completed waste minimization demonstration projects. This total investment of \$50,000 resulted in a yearly total savings of \$200,000 with an average 4-month payback period. These financial results inspired the other chemical producers and all of them entered waste minimization program, implementing additional 15 different projects with total investment of \$190,000 resulting in yearly total savings of \$1,100,000 with payback periods ranging from 1 month to 9 months.

In addition to these monetary benefits, the activity made a substantial contribution to natural resources conservation and improved working conditions due to reduced emissions and exposure to contaminants. In 1997, the advice was expanded to address energy conservation for industrial companies that produce or convert their own energy. Energy production by these firms has often been a significant source of pollution, so their success at energy conservation also improves air quality.

Small grants were given on a competitive basis to leverage funds in the construction of infrastructure serving environmental health. Nine chlorinators were delivered and installed with about 50 percent funding from USAID. These will raise water quality to an acceptable level in 11 Eastern Slovakian communities. A related project is underway to fund part of the

construction of sewerage pipe in a village where an open sewer flows through the town and the school was forced to close for lack of sanitary facilities. USAID's financial contribution to the installation of 1,300 meters of sewer pipe in Kamienka was sufficient to attract a matching grant from the State Environmental Fund. This village is adjacent to a national park and has been polluting the river which is used by some residents for drinking.

The WEC work provides technical training. The second aspect is to provide professional training and certification. To that end, in 1997 a second major initiative was launched under the HIID project. A full-time resident advisor is working in close cooperation with the Harvard School of Public Health to put in place by June 1999 a comprehensive nation-wide occupational health service system for Slovakia.

This has two main thrusts. The first derives from requests from the Ministry of Environment and the Ministry of Health to build capacity within their respective organizations. A major focus was risk assessment and risk management. The second is driven by Slovak Law 330, which requires occupational health services for all enterprises. This second capacity will be developed within the framework of non-governmental capacity building for the triad of occupational health specialists: physicians, nurses, and industrial hygienists. By the time the activity ends, the target is to have trained and certified 800 General Practitioners, 200 nurses, and 100 Industrial Hygienists. This is judged to represent, respectively, 100%, 33%, and 60 % of the capacity needed to serve the entire country at this time. On-going training in the out-years will be accomplished by the institution of Train the Trainer programs.

Improved water quality in the Danube River. Accomplishments to date are mainly in establishing institutional arrangements. Results in the form of improved water quality remain several years in the future. The final agreement by three countries cooperating in this objective was achieved in 1997, thereby opening the way to implementation of program elements. Among the early steps is establishing continuous measurement of water quality at several locations along the Danube. A system for immediate communication of these quality measurements will also be developed. At that time, concrete targets and goals can be determined. When the monitoring capacity is in place, it will be used immediately to provide early warning of pollution hazards. The central subactivity of the program in Slovakia will be to upgrade the water treatment plant at Kosice.

Improved understanding of environmental risks in the workplace. The main activities under this intermediate result has been developing university programs, but several training programs have had a more immediate effect on public awareness of

environmental health issues. The post-diploma program in environmental friendly restructuring and strategic management of industrial companies is currently training its third class, consisting of participants from 10 institutions. Its students are drawn mainly from among business majors, but the program also includes some government employees. The program is directed at improving the management of private industrial facilities such that environmental impacts are better understood and controlled.

A curriculum on environmental health at Matej Bel University was further developed in 1997 and is expected to receive its first students in September 1998. This program fills a significant gap in Slovakia's future response to environmental risks by giving the country the capacity to train future teachers and students in other fields regarding environmental risks to public health.

Just underway in 1997 is the development of curricula for training health workers on occupational health issues linked to environmental quality. A course for physicians at the Post Graduate Medical School (a part of the Ministry of Health) is being developed to prepare them for issues related to occupational and environmental health services. A similar course for nurses is being developed at the Faculty of Nursing, University of Trnava.

In another effort, the Environmental Training Project placed emphasis on training courses that would raise public understanding of and involvement in decision making that effects environmental quality. Of the 681 participants in this program during 1997, 38 percent represented non-governmental organizations, 24 percent represented private businesses, and 12 percent represented local governments. Women comprised 43 percent of participants. The portions of this training that was given to non-governmental organizations is closely related to SO 2.1.

Training through a separate activity under this intermediate result was provided in public health, occupational and environment health, industrial hygiene under a separate activity within this SO. Under this component, professional linkages between Slovak environmental health specialists and the Harvard School of Health were forged and are expected to be maintained.

B. Expected Progress Through Close out of SO

All planned activities under this strategic objective will be completed by the close out date. All targeted legislation and related implementation manuals will be drafted or completed. Planned training levels will be accomplished and several partnerships with U.S. institutions will have been established. The combined effect of these activities will not have a measurable impact on the current statistics on environmental

quality in relation to health, because the activities are either small in relation to national environmental problems or are long-term in their impact. They will have established several key elements to promote better understanding and monitoring of environmental risks to health. The legislative reforms and university courses should be functioning at the end of USAID's presence in Slovakia although their impact will take some years to be fully realized.

Sustainability of achievements under SO 3.3. The activities under this activity were designed to either directly improve environmental quality or, more often, to improve the long-run sustainability of environmental legislation or environmental technology. Technology transfer aspects of this strategic objective are expected to be fully sustained. Within the private sector, the improvements in production processes to minimize waste, which were principally adopted at chemical processing plants, earn more profit than the processes they replaced. Similarly, the improvements in power production raise efficiency as they reduce pollution.

The Pollution Prevention Center (PPC) that was created to continue the transfer of environmental technologies after WEC funding ends has not yet demonstrated a capacity for generating adequate revenue from its services. At present they are working on a sustainability plan that might include joining with a partner organization. The Minister of Environment recently indicated that the PPC could be considered for GoS grants or contracts. In the public sector, equipment and training will create full capability for GIS analysis and for tracking significant environmental indicators.

Eventual gains in water and air quality resulting from USAID activities should be sustained due to their internal incentive structure or to improved implementation of environmentally sensitive legislation. Both the legislation and its implementation were products, in part, of USAID programs. Nonetheless, these gains in the environmental quality are defined in relation to what would have occurred without USAID assistance. Actual pollution levels are likely to rise as industrial production recovers.

The efforts to improve public understanding of environmental issues and to strengthen civil society to influence government actions require more maturity. Further USAID assistance is proposed both to support non-governmental organizations and to fully implement the environmental health curriculum at Matej Bell University. The program with the Technical University in Kosice is already in its third year of operation and has attracted considerable financing from participant fees and the university. It is expected to be self-sustaining by the close out date.

C. Activity Expected After Close out

One activity under this strategic objective is expected to continue beyond 1999. This activity will require no further funding from ENI nor any USAID management in Slovakia. The post-presence activity is the Transboundary Pollution Reduction Program in Hungary, Slovakia and Romania for the Global Environmental Facility. USAID management will continue from Washington in ENI/EEUD. The objective of this activity is to reduce risks to public health deriving from water quality of the Danube River. The participation of all three countries is considered essential to complete this objective. The governments of both Hungary and Romania and the USAID Representatives in these countries have committed to support the program, including post-presence work in Hungary. The program is currently scheduled to end in September 2000.

OBJECTIVE: SO 3.3: Reduced Environmental Risks to Public Health			
APPROVED: 05/25/1996 COUNTRY/ORGANIZATION: USAID Slovakia			
RESULT NAME: IR 3.3.1 Public managers act to reduce environmental impacts to public health			
INDICATOR: Number of new laws or programs which selectively deal with environmental health risks			
UNIT OF MEASURE: Legislative or programmatic initiatives <hr/> SOURCE: Ministry of the Environment and Parliament <hr/> INDICATOR DESCRIPTION: Legislative & programmatic initiatives <hr/> COMMENTS: Initiative refers to the Act on Environmental Information, the Air Protection Act, Urban & Regional Planning Act and the Slovak greenhouse gas program . Data not collected from 1993 to 1995.	YEAR	PLANNED	ACTUAL
	1996	0-(B)	1
	1996	1	2 drafted
	1997	3	1
	1998	3	2
	1999	2	2 (acceptable)
	2000	1-(T)	

OBJECTIVE: SO 3.3: Reduced Environmental Risks to Public Health			
APPROVED: 05/25/1996 COUNTRY/ORGANIZATION: USAID Slovakia			
RESULT NAME: IR 3.3.1.4 More effective provision of financial resources			
INDICATOR: Revolving fund implementation			
UNIT OF MEASURE: Number of funds in place <hr/> SOURCE: Ministry of Environment <hr/> INDICATOR DESCRIPTION: Revolving investment fund <hr/> COMMENTS: Following the USAID Slovakia lead, another donor will implement the revolving investment fund as a pilot. Data not collected from 1993 to 1995.	YEAR	PLANNED	ACTUAL
	1993	0-(B)	0
	1996	0	
	1997	1	submitted
	1998	1	passed
	1999	1	(1 acceptable)
	2000	1-(T)	

OBJECTIVE: SO 3.3: Reduced Environmental Risks to Public Health			
APPROVED: 05/25/1996 COUNTRY/ORGANIZATION: USAID Slovakia			
RESULT NAME: IR 3.3.1.3 Increased collaboration between health and environmental decision makers			
INDICATOR: Number of specialized, interdisciplinary organizations dealing with plans to reduce risks			
UNIT OF MEASURE: New organizations <hr/> SOURCE: Ministry of Health, Ministry of the Environment <hr/> INDICATOR DESCRIPTION: Number* <hr/> COMMENTS: * PIET = PHARE Institute of Environmental Technology. HIID and MoEnv did background work for this. GIS = Geographic Information System. PRTR = Pollution Release and Transfer Register.	YEAR	PLANNED	ACTUAL
	1993	1-(B)	1
	1996	3	1
	1997	4	2
	1998	4	
	1999	4	2 acceptable
	2000	4-(T)	

OBJECTIVE: SO 3.3: Reduced Environmental Risks to Public Health			
APPROVED: 05/25/1996 COUNTRY/ORGANIZATION: USAID Slovakia			
RESULT NAME: IR 3.3.1.3 Increased collaboration between health and environmental decision makers			
INDICATOR: Comprehensive occupational/environmental health service system in place			
UNIT OF MEASURE: Percent of required national capacity.	YEAR	PLANNED	ACTUAL
SOURCE: Ministry of Health, Ministry of the Environment, HIID	1997	0 (B)	0
INDICATOR DESCRIPTION: Percent of required national capacity.	1998	15 % (physicians)	
COMMENTS: End of activity target is to train and certify 800 physicians, 200 occupational health nurses and 100 industrial hygienists. This represents, respectively, 100 percent, 33 percent and 60 percent of national capacity needed in each field. The table reports only on the physicians component. Trained trainers will complete the task in the out-years.	1999	100 %	(100% acceptable)
	2000	100 %	

Termination Schedule for Activities under SO 3.3

activity	1997	1998	1999	>1999
4.11 environmental economics (HIID)			6/99	
4.01 pollution prevention (WEC)		9/98		
38 environmental health (G bureau)				9/00
39.1 IAA (EPA)		6/98		
39.09 water quality (GEF)				cont.
39.10 EAP investments (Chemonics)		3/98		
environmental training (UMinn)		11/98		

SO 4.1 Special Initiatives

The Special Initiatives under SO 4.1 do not form a comprehensive program for achieving a central objective. Thus the indicators for this SO are generally specific to individual activities, and they relate more to level of effort than to results. The exception to this characterization is in health management where four activities are coordinated toward a common result.

Partnerships in Health Care (AIHA)

A. Performance Analysis

Health Care Facilities in Eastern Slovakia Employing Best Practices:

The Slovak partners, Kosice Teaching Hospital, succeeded in decreasing neonatal mortality from 11.00 per 1,000 newborns to 6.2 per 1,000 in the Kosice city and to 9.3 per 1,000 in the Kosice district. Greater utilization was realized in 1997 as the occupancy rate of the Kosice hospital increased from 73.3 per cent (1996) to 83.2 per cent (1997). The Nursing Resource Center with the Kosice Teaching Hospital was opened in March 1997 and is serving the nursing community in the whole district. Due to this program a new regionalization in neonatal Intensive Care Unit was introduced in Eastern Slovakia and the number of admissions was increased from 110 (1995) to 198 (1997).

B. Progress Expected Through Close out of SO

This activity is scheduled to phase-out in September 1998. By that time AIHA is planning to start a model Women's Health Care Center which it will attempt to help make sustainable beyond the US assistance. This project has introduced new referral system (regionalization) in neonatal care in Eastern Slovakia. The Nursing Resource Center is considered to be a legacy of the activity.

C. Activity Expected After Close out of SO

No additional funding or post-presence activities in this area are recommended. The goal indicated above will be achieved by the end of this partnership.

Local Health Reform

A. Performance Analysis

This activity started in March 1997. It is focusing on strengthening organizational and managerial capacity at local level with a result of NGOs having a measurable impact on formulation government policy. It links together two Slovak

communities with that of Cleveland. Both communities are focused on meeting health needs of special groups of citizens such as elderly and handicapped. Activities are supported by the respective Mayors' offices. The Martin community opened a Healthy City Office.

The other Slovak community, Banska Bystrica, has successfully lobbied to have a 20 bed unit at a regional hospital specifically set up as a geriatric unit as of January 1, 1998. Under the new Department for Health Care, the City of Banska Bystrica will open an 18 bed Pension for the elderly this Spring. As part of this project the partners are lobbying the insurance companies to set up a schedule of payment for 4-5 nurses, who will care for the pension patients.

B. Expected Progress Through Close out of SO

This activity is scheduled to end by September, 1998.

C. Activity Expected After Close out of SO

No post-presence activities are planned by USAID Slovakia.

Health Care Management (AIHA)

A. Performance Analysis

This is a strong activity that promises to leave an important legacy to Slovakia's health care sector. There was no formal training in health care management prior to 1989. With the assistance of this USAID/AIHA activity, there are now three graduate programs, in addition to a modified version of an existing government program, providing this training. While this in itself is not sufficient for long-term development of the health care sector, according to the implementors, it provides all of the health management training capacity needed for a country the size of Slovakia and therefore provides a firm base for further strengthening of management skills.

Last year the capacity of the first health management resource center in Slovakia (based in Trnava) was strengthened through training provided by USAID/AIHA Health Management Education (HME) partnership project. The Masters curriculum for Nurse Managers was developed at Trnava University and accredited in 1997. (At Trnava University, Health Management was accredited as a certificate program in Public Health in 1997 and as a specialization in the Nursing program in 1997). The basis for a lasting partnership with U.S. counterparts was laid when all of the Slovak partners in this activity became international members of the AUPHA (Association of University Programs in Health Care Administration). Students at two Slovak partner universities created an associated chapter of the ACHE. Curriculum changes

in health management were made at the University of Matej Bell program and the program was again accredited with the Ministry of Education.

The indicators for hospital performance under this strategic objective refer to levels at the improvement of health care facilities in Eastern Slovakia through the Health Management Institute at Trnava University

B. Expected Progress Through Close out of SO

Workplan objectives for 1998-9 include the establishment of a Center for Health Policy and strategy of Matej Bel University, a Nursing Center at Trnava University and Kosice Teaching Hospital and a center for Training and Consulting Skills Development at the Health Management School. The Center for Health Policy and Strategy will be an independent legal body whose main target will be to promote the development of health policies and strategies in Slovakia with links to all CEE countries. This Center will provide advisory and information services for central and regional health care administration and organizations operating in the area of providing and financing of health care services. Remaining activities will focus on strengthening the capacity of the above mentioned institutions, providing in-country and U.S. based training in health care strategy and policy, and may lead to the creation of professional association partnerships and association-to-association partnerships.

C. Activity Expected After Close out of SO

None Recommended. The training capacity created by this activity should be sustainable after the activity ends.

East and Central Europe Scholarship Program (Georgetown)

A. Performance Analysis

In 1997 this USAID Washington-managed program continued to provide short-term training in banking and financial supervision and long-term training opportunities in three areas: public administration, regional administration and managerial program. Ten candidates were selected and eight of them started their training program as of January 1998. The Program aims at achieving the following goals: a better trained democratic leadership, improved supervision of the financial sector, more efficient and decentralized health care system, a stronger, more efficient system of local government, strengthen capacity of NGOs. While not large, it has proved to be a useful complement to our other SO's.

B. Expected Progress Through Close out of SO

Ten Slovaks are presently in U.S. training in public administration, bank supervision, NGO management and health care management. Carryover funds will be used to train the final group of 3 or 4 individuals in the same areas before September 1999.

C. Activity Expected After Close Out of SO

This activity is not expected to continue after close out.

Energy Sector Industry Contracts/Utility Grants (UPP)

A. Performance Analysis

Centrel is a regional energy program with several subcomponents. With assistance from the **Environmental Program**, Centrel countries have made progress on a range of topics relevant to environmental issues. These countries have made significant progress toward the passage of enabling legislation limiting power plant emissions within specific time frames in order to comply with West European environmental standards. Compliance with these standards is a requirement for acceptance into the European Union and for complete acceptance into the West European grid system, UCPTE. A Working Group meets quarterly to discuss issues of high priority and mutual concern, such as environmental technologies, regulation, compliance, auditing, and emissions trading. Workshops were conducted by U. S. representatives expert in these areas in tandem with each of these meetings.

The Regional Environmental Program for the Centrel Countries will focus specifically on issues related to the ability of these utilities to comply with new environmental performance standards, in some cases, more stringent than those required in Western Europe. Privatization and private investment may not occur unless the Centrel utilities can demonstrate some measure of compliance with domestic and West European standards.

Regulatory reform in the Centrel countries has made great strides in the past few years. Enabling legislation for monopoly regulatory a program has passed in Hungary, and a regulatory body has been established. In Poland, efforts are underway to do the same, with the Czech Republic, and likely Slovakia, to follow suit. As these changes have been introduced, the Centrel countries have requested that UPP continue the development of a regional regulatory program.

The **System Reliability Program** focused on modernizing both technical and management operations related to system reliability. Technical issues focused on power plant availability and efficiency. Management issues addressed system

integration, electricity pricing, and the purchase and sale of energy through system networks. These activities will enable the Central countries to utilize their system integration with the West European grid system to become competitive power traders. The technical interconnection of hardware has already occurred but the Central countries lack experience in the economic transactions involved in the operation of an open access system and have not yet utilized this link.

Finance and Investment Program. As the regulatory frameworks in each of the countries is institutionalized, investment in the energy sector will become attractive to foreign investors. This process will necessitate the implementation of legal frameworks which are consistent with an open market economy, ensuring that profits can be realized through reasonable rates and tariffs and due process in the acquisition and maintenance of capital. Where privatization is desired, government officials, regulators, and utility representatives must determine the pace and scope of these processes. USEA assistance focuses on the role that private investment can play in the restructuring, privatization, and regulation of the energy sector.

Under the **Regional Energy Efficiency Project** Bechtel compiled for Slovak Utility and the Ministry of Economy Regulators a comprehensive study on Tariff reform. Electricity rates have been increased since the study was completed, but political realities make full implementation of the recommendations difficult.

B. Expected Progress Through Close out of SO

Building on the Handlova work, (see below) a new demonstration project is now being implemented by Elektrotek to demonstrate the economic benefits of energy saving measures. Ultimately, it is hoped that this will help to reduce the drain of subsidies on the government budget. These activities are supplemented by a newsletter and curriculum development in energy efficiency at universities in Bratislava and Kosice. In addition a computer model of tariff reform/phase-out will be developed for the use by the GoS.

C. Activity Expected After Close out of SO

The energy efficiency work will be completed before close out. No further assistance is anticipated.

PASA With DOE

A. Performance Analysis

Energy Conservation. In 1996, Elektrotek conducted a limited demonstration project in the town of Handlova in cooperation with

the city housing department to show that low-cost weatherization of municipal housing stocks could contribute to decrease on energy bills both to the municipality as well as to dwellers. A comprehensive energy-saving manual has been compiled based on local case studies as well as other participating CEE countries.

The overall objective of the International Nuclear Safety Program is to support Slovakia in its effort to improve the level of safety of the Soviet-designed reactors through strengthening the operational and physical conditions of the plants, enhancing the safety culture among designers, constructors and operators, and supporting the development of an indigenous nuclear safety infrastructure. Work continues on upgrading the simulator in cooperation with the Slovak Nuclear Power Plant Research Institute (VUJE), Brookhaven National Laboratory, and Scientech. Software has been provided to the plant.

B. Expected Progress Through Close out of SO

Continued dialogue with U.S. counterparts and training to maintain capacity for the computer simulation of accidental events.

C. Activity Expected After Close out of SO

The mission has no plans for activity after close out.

Grant to USEA

A. Performance Analysis

See also Centrel report, above.

B. Expected Progress Through Close out of SO

Continued regular round-table discussions among Centrel countries of environmental and regulatory issues.

C. Activity Expected After Close out of SO

Mission no plans for activity after close out.

IAA with NRC

A. Performance Analysis

Slovakia has four operating nuclear power reactors all located at the Bohunice site. Four more reactors are under construction at the Mochovce' site. Since January 1993, through several instruments (IAA to the Department of Energy and their sub-contractors and the grants to U.S. Nuclear Regulatory Commission), U.S. assistance has helped to: strengthen the legal

framework and regulatory capability of nuclear-related organizations as effective organizations; advance safety culture awareness and practice, and improve analytic capabilities for perform safety analyses; and train inspectorates in regulatory inspection philosophy, procedures, and techniques. On April 1, 1998 the Slovak Parliament amended legislation on the peaceful use of nuclear energy, based on recommendations of the International Atomic Energy Agency. This brings Slovak law into conformity with international standards.

B. Expected Progress Through Close out of SO

Continued technical assistance to the Slovak Nuclear Regulatory Authority for further institutional strengthening and improved regulatory capability.

C. Activity Expected After Close out of SO

The mission has no plans for activity after close out.

English as a Foreign Language Fellows

A. Performance Analysis

The EFL Program, which is coming to an end at the end of the 1997-98 school year, has been successful in its effort to improve the qualifications of Slovak teachers of English, and to increase knowledge of American culture among Slovaks. The Program has worked with the Slovak Association of Teachers of English (SAUA/SATE), a body recognized by the Ministry of Education to officially represent the interests of teachers of English in Slovakia, and who now has responsibility for continuing teacher training. Training is now organized and taught by Slovaks who have been trained through the EFL Program to be teacher trainers.

English for Specific Purposes (ESP) was a initiative which began in 1996. Under this program, English teaching programs were specially designed to meet the needs of specific groups, such as the Slovak Army, Slovak Parliament, Slovak Judges, Trade Unions leaders and similar groups. In 1997, the ESP Fellow designed and taught a year long English program for members of the Slovak Parliament and their staff. She also began work with the Slovak Ministry of Justice to develop a legal English program for candidate and sitting judges. This course is to be taught in three intensive week long courses during the Spring of 1998. The MoJ has expressed interest in adopting this legal English course as part of their official training program for candidate judges

B. Expected Progress Through Close out

This activity will end in June 1998. At close out the activity will have improved the qualifications of the more than 2,800

teachers of English who have taken part in this program. It will also have created a cadre of teacher trainers to continue the work begun under the EFL Program.

C. Activity Expected After Close out

The teacher trainers and SAUA/SATE will continue to improve the qualifications of Slovak teachers of English utilizing the skills, knowledge and materials they gained through the EFL Program.

UNIDO Small Business Project

A. Performance Analysis

This activity was designed to evaluate the National Agency for Development of Small and Medium Enterprises (NADSME), a quasi-government agency of the Ministry of Economy, and make recommendations for improving its contribution to the SME sector. The Senior Adviser was stationed full-time in Bratislava from October 1996 to 31 August 1997.

The project had as its objective strengthening the capacity of the National Agency for Development of Small and Medium enterprises (NADSME) to analyze SME sector information, and on the basis of these analyses, to make recommendations to the Government of Slovakia on changes necessary in policies and in the legal and regulatory framework to promote the SME sector. An assessment and advisory report was completed as scheduled in September 1997, presented to NADSME and the advisor departed post. According to that report the two main achievements were:

"1. A comprehensive system of monitoring and analysis has been designed and is ready for implementation, provided that the necessary resources are made available by the Government of the Slovak Republic. NADSME, which already undertakes limited monitoring of the SME sector at the request of the Ministry of Economy, does not have the resources to implement the proposed new system, which is a prerequisite for developing SME policy.

2. The Government of the Slovak Republic adopted a new Medium Term Policy for SMEs in February 1997. The Policy framework recommendations under this UNIDO project are consistent with the Medium Term Policy and place considerable emphasis on policy refinement and improved structures for SME development. The policy issues covered are law and regulation, access to finance, incentives, taxation and social security, the negative climate for enterprise, advocacy and representation, strategic economic sectors and the institutional support structure for SMES."

B. Progress Expected Through Close out of SO

There will be no further activity.

C. Activity Expected After Close out of SO

There will be no further activity.

**Summary of Key Indicators for SO 4.1
Special Initiatives**

INDICATOR	BASELINE	TARGETS	ACTUAL	ACCEPTABLE
number of English teachers trained (cumulative number)	1995: 1050	1996: 2,050 1997: 3,000 1998: 3,000	1996: 2103 1997: 2903	1998: 2,800
number of participant trained in support of SOs (cumulative number, Transit + G'town)	1995: 61	1996: 133 1997: 188 1998: 233 1999:	1996: 138 1997: 188	1999: 230
local health institutions using enhanced skills (%)	1996:20	1996: 0 1997: 50 1998: 100 1999: 100	1996: 15 1997: 50	1999: 90
Hospital Occupancy rate	1993: 73.3	1996:79.9 1997:83.2 1998:86.5 1999:89.8	1996:82.6 1997:83.0	1999: 89.0
Neonatal mortality (per 1000 newborns)	1994: 11.2	1996:11 1997:10.4 1998:10.4 1999:10.1	1996: 9.4 1997: 9.3	1999: 9.3

Termination Schedule for Activities under SO 4.1

activity	1997	1998	1999	>1999
37 hospital partnership (AIHA)		11/98		
38 local health reform (AIHA)		9/98		
38 health management education (AIHA)		11/98		
38 healthy communities (AIHA)		11/98		
38 AIHA local contractor			6/99	
2.07 student exchange (Georgetown)			8/99	
2.09 English teaching (USIA)		6/98		
19.01 TA & equipment (Frost)	done			
20.02 rule of law (moved to SO 2.1)				
23.13 new small business (UNIDO)	8/97			
23.16 TA for profit centers (UNIDO)	done			
26.04 telecommunications (State)	done			
45.02 Marshall/Humphrey scholarships	done			
45.09 program mgt. (G bureau)	done			
parking fines set asides				
science & technology (State)	done			
market mediation (PDCI)			6/99	

Termination Schedule for Activities under SO 4.2

activity	1997	1998	1999	>1999
45.01 PTPE (PIET)/TRANSIT (Wld Lrn)			9/99	
249.01 evaluation			9/99	
249.02 project support			9/99	

Part III: STATUS OF THE MANAGEMENT CONTRACT

An adjustment in FY 99 funding and a modification in staffing are being proposed in the management contract approved on April 30, 1997. As we anticipated last year, and as has become increasingly evident since then, our democracy objective is unlikely to reach a level of achievement sufficient to justify close out along with the rest of our program.

In last year's R4 Review, the question was raised whether USAID's democracy objective would likely be reached before USAID Slovakia's planned close out in 1999. USAID Slovakia noted that a great deal of progress had been made toward achievement of this objective within the existing political environment, but recognized that the transition is not complete. It was proposed a team from USAID Washington work with USAID Slovakia to explore a range of options for achieving our democracy objective during the time remaining until USAID Slovakia close out.

A democracy assessment team, consisting of ENI, Global Bureau and USAID Slovakia staffers carried out from October 23 to November 5, 1997 an assessment of the state of democracy in Slovakia and the expected results of USAID's existing democracy program. The assessment team concluded that USAID's democracy objective will not be fully achieved by September 30, 1999. The team also made a series of programmatic recommendations. First, the team recommended that the current year (FY98) democracy program increase emphasis on the pre-election period. Second, the team agreed that an indigenous grant-making organization (IGMO) is called for and recommended that USAID Slovakia proceed with the design of this activity. Third, the team recommended that USAID Slovakia be prepared to respond with additional democracy activities in FY99, post elections. As the nature of additional activities to be undertaken would depend on the policies of the new government, the recommendation of the team was that USAID Slovakia engage in contingency planning in the pre-election period (FY98) in order to be ready to respond quickly to different political scenarios.

USAID Slovakia has moved forward on those recommendations as described earlier. The Country Team has also engaged in a series of discussions on strategy for the post-election period. In thinking through post-election assistance plans, USAID Slovakia determined that additional funding will be necessary in FY99 in order to more fully achieve our democracy objectives.

In a meeting on January 29, 1998, chaired by DAA/ENI, the USAID Representative to Slovakia received confirmation from the Bureau to go ahead with plans to close out USAID Slovakia in 1999. The subject of additional funding in FY99 was discussed at this meeting as well. The decision was made that if there was a clear

programmatic justification for additional FY99 funds, there are unprogrammed performance funds available for the SEED region, and an amount of these funds could be considered for Slovakia.

USAID Slovakia believes a clear programmatic justification for additional FY99 funds exists and, accordingly, is requesting \$1 million in performance funds in FY99, over and above the requested level of \$2 million. This additional \$1 million will supplement existing plans to support the attainment of SO 2.1, Increased, Better Informed Citizens' Participation in Community, Political and Economic Decision Making, and will be used to meet democracy program objectives in the post-election period.

To manage the IGMO and to provide a "management platform" for oversight of other SEED activities that may be initiated in response to elections, we are proposing a staffing adjustment. We propose to leave in place after after December 31, 1999 a three-person team, consisting of an AID Affairs Officer, an FSN professional and an FSN administrative assistant, to be located in the Embassy through September 30, 2000.

ISSUES

1) In addition to the AIDREP there are currently two other USDH officers at post. Both are completing their tours and scheduled for onward assignment during the summer of 1998. The USDH Program Officer position is to be filled by another USDH. The USDH EXO position is to be deleted and replaced by an OE funded USPSC. In order to provide adequate oversight of staff and resources, and in order to proceed with an orderly program closeout, it is extremely important to fill both these positions immediately. Gaps in filling in behind the departing Program Officer and the departing Executive Officer would imperil management of activities and impede the close out process.

2) Last year's R4 Review Cable stated that "within the broader framework of a close-out plan, the OAR will develop its final staffing recommendations to reflect needs consistent with programmatic requirements of the plan, i.e., the program will determine the staffing, not vice versa." In that regard, this R2 proposes that USAID Slovakia will retain a significant percentage of the workforce through close out. This is justified on grounds that (a) the USAID is requesting additional FY99 funding to allow for a flexible program response after elections, requiring management and administrative support throughout the fiscal year, (b) allowing for inevitable attrition, vacancies will develop and in those cases we will try to consolidate duties under experienced staff, however the precise configuration cannot be predicted, and (c) during the first quarter of FY2000 final closing out of FY99 activities and USAID premises will take place, requiring extensive staff work. A transition to a small AID Affairs unit located in the Embassy is also anticipated. This

will require USAID staff for implementation.

3) The post presence "management platform" proposed in this R2 includes a program funded USPSC as an AID Affairs Officer. This will provide for the necessary management oversight of the IGMO, and can be funded more readily than a USDH, which requires the use of scarce OE funds. However, there may be an argument for a USDH rather than a USPSC. The AID Affairs Officer will primarily manage the IGMO, but should also play a significant role on the Embassy's country team. Depending on the country environment and the nature of assistance activities this could involve representing the USG with government agencies, embassies and other donors, in which case a USDH might be more appropriate officer for that role.

Part IV: RESOURCE INFORMATION

1. Prioritization of Objectives

SO 2.1: Increased, Better Informed Citizens' Participation in Community Political and Economic Decision-Making. Achieving this end is requisite to assuring that other components which comprise a democratic society have the opportunity to grow and flourish. Objective is complementary and essential to realizing other allied objectives. Will be the main focus of any post-presence activities.

SO 2.3: More Effective, Responsible and Accountable Local Government. A key corollary to decentralization of power from central to local government entities through strengthening their management and fiscal capacities so when greater devolvement of power is eventually realized in Slovakia, local governments will be up to the tasks. Much has been done to date, particularly by local NGO.

SO 4.1: Special Initiatives. One of our most effective cross-cutting programs has been the Participant Training for Europe (PTPE) activity which provided training to augment that which was provided under various sub-activities of SOs. That activity, now called Transit, could play an important role in the post-presence period. We would support post-presence activities under the Global Environmental Facility/Danube Program in Slovakia, Hungary and Romania.

SO 3.3: Reduced Environmental Risks to Public Health. The activities under this SO were designed to directly improve environmental quality or improve the long-run sustainability of environmental legislation or technology. From the outset, the thrust of this work was to achieve health benefits. That emphasis increased in 1997 with the addition of a special environmental and occupational health component. We expect to develop Slovak capacity in these areas before close out and do not anticipate post-presence activities.

2. Phase Out Plan:

The following is a phase out schedule of major activities, by SO. See Paragraph 3, below, for personnel phase out information

Slovakia SO Level Phase Out Plan

	Approximate Date Activity Will End														
	March 1997	June 1997	Sept 1997	Dec 1997	March 1998	June 1998	Sept 1998	Dec 1998	March 1999	June 1999	Sept 1999	Dec 1999	March 2000	June 2000	Sept 2000
SO 1.1. Increased Transfer of State-owned Assets to the Private Sector															
180-0014 * Transaction team	(ENDED)														
SO 1.2 Increased Soundness of Fiscal Policy and Fiscal Management Practices															
180-0024.05 * USDA-TRANSITION															
180-0027.01 * TA/Finan Serv (Treas)															
180-0034 * Housing Allowances (UI)															
SO 1.3. Accelerated Development and Growth of Private Enterprises															
180-0014 * Enterprise Restructuring (SBBAC)															
180-0023.01 *IESC Private Enterprise Grant															
180-0023.05 * MBA Enterprise Corps															
180-0023.07 *Peace Corps (EBDP)															
180-0023.11 * Entrepreneurial Mgmt & Executive Dev. EMED															
180-0023.93 * PSC's	(ENDED)														
180-0024.01 * VOCA grant (agribusiness SME component)															
180-0024.04 * Agribusiness TA & training (RAAPS-Iowa State U)	(ENDED)														
180-0026.14 * Bankruptcy (Carana)															
180-0029.01 * Large grants competition (UPitt)															1/
SO 1.4. A Competitive, Market-oriented Private Financial sector															
180-0014 * Bank Supervision (Barents, IBTC)															
180-0014 * Bank Advisory Project (SBBAC/A.Andersen&Co)															
180-0027.02 * FSVC grant (buy-in to PRE)															
180-0034 * Private Sector Housing (UI & PADCO)															
SO 2.1. Increased, better Informed Citizen's Participation in Community Political and Economic Decision-Making															
180-0021.01 * Educational reform (ORAVA)															
180-0021.05 * NDI															
180-0021.05 * IRI															
180-0021.08 * AFL-CIO support (FTUI)															
180-0021.14 * Democracy Advisor PCS's															
180-0020.02 * ABA Grant (Rule of Law)															
180-0022.01 * Promedia Program (IREX)															
180-0022.02 * Media training (USIA)															
180-0023.07 * Peace Corps (SPA)															
180-0024.01 * VOCA Grant															
180-0032.09 * Democracy Network Grant 9FCS)															
180-0032 * NGO Support (IGMO)															2/
180-xxxx * Trans to USIA for Democ.Commission Small Grants															
SO 2.3. More Effective, Responsible and Accountable Local Government															
180-0034 * Local self-government (ICMA/UI & G-EHP)															
180-0034 * USAID Urban Development Advisor PSC's															
SO 3.3. Reduced Environmental Risks to Public Health															
180-0004.11 * HIID															
180-0004.01 * World Environmental Ctr grant															
180-0038 * Buy-in to G Bureau Environmental Health Project															
180-0039.01 * IAA with EPA															
180-0039.09 * Water Quality & Investment (GEF/Danube)															3/
180-0039.10 * EAP Investments															
180-0041 * Environmental Training															

	Approximate Date Activity Will End														
	March	June	Sept	Dec	March	June	Sept	Dec	March	June	Sept	Dec	March	June	Sept
	1997	1997	1997	1997	1998	1998	1998	1998	1999	1999	1999	1999	2000	2000	2000
SO 4.1. Special Initiatives															
180-0020	*	Partners for Democratic Change													
180-0037	*	Partnership in Health Care (AIHA)													
180-0038	*	Health Communities (AIHA)													
180-0038	*	Local Health Reform (AIHA)													
180-0038	*	Health Management Education Project (AIHA)													
180-0002.07	*	Int'l Student Exch Program (Georgetown)													
180-0002.09	*	English Teaching (USIA)													
180-0019.01	*	Technical Assistance & Aqipment (Frost)	(ENDED)												
180-0023.13	*	New Small Business Activity (UNIDO)													
180-0023.16	*	UNIDO Potential Profit Centers Technical Assist	(ENDED)												
180-0026.04	*	Telecommunications policy (State)	(ENDED)												
180-0045.02	*	USIA (Marshall & Humphrey Scholarships)	(ENDED)												
180-0045.09	*	Program Management/G Transfer	N/A												
180-xxxx	*	Parking Fines Set Asides	N/A												
180-xxxx	*	Transfer to State - Science & Technology	(ENDED)												
180-0030.01	*	Industry Contracts/Utility Grants													
180-0030.02	*	PASA/IAA with DOE													
180-0030.04	*	Grant to USEA													
180-0030.05	*	IAA with NRC													
SO 4.2. Cross - Cutting Programs															
180-0045.01	*	PTPE / TRANSIT													
180-0249.01	*	Evaluation													
180-0249.02	*	Project Support													

1/ Post-presence activity

2/ Post-presence activity

3/ Post-presence activity

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3. Workforce and Operating Expense

USAID Slovakia proposes changes in Workforce/Operating Expense (OE) requirements, both in FY 1999 and FY 2000. Most of USAID Slovakia's program activities will end in FY 1999. However, OE-funded and program-funded personnel will be required into the first quarter of FY 2000, to complete the close out and ensure that proper management oversight is left in place for the post-presence, "legacy" activities proposed in this R2. These proposed changes reflect the January 1998 agreement with AID/W under which the close out will take place by the end of calendar year 1999.

USAID Slovakia will reduce its workforce in FY 1999 by two positions. We strongly believe that no further staff reductions can be made given the combined workload associated with the close out and the obligation of FY 1999 funds. Staff are being reallocated to support the remaining SOs. We are requesting additional FY 99 program funds to meet post FY 99 management requirements for the IGMO, and to retain options for a potential response to Slovakia's post-election environment after September 1998.

To manage the IGMO and provide a "management platform" for oversight of other SEED activities that may be appropriate following the elections, USAID Slovakia proposes a program funded, three-person team, consisting of an AID Affairs Officer, an FSN professional, and an FSN administrative assistant through FY2000. If however a decision is made that this function requires a USDH, an upward adjustment in OE will be required.

In its progression toward close out, USAID Slovakia will delete the USDH Executive Officer position and replace it with an OE funded USPSC beginning in FY98. While agreement was reached with AID/W on this decision, full OE funding for the USPSC was not identified. We have produced partial funding by reducing FY98 travel and procurement levels. However, an increment in the FY 1999 budget will be necessary to fund USPSC costs through the first quarter of FY 2000 as well as to restore the USAID premises to pre-occupancy configuration.

This R2 requests approximately \$160,000 OE funding for FY2000. It should be noted however, that a significant portion of this (as much as \$75,000) is for OE expenses (e.g. USDH assignment travel, transportation of effects, etc.) that cannot be forward funded and therefore are merely postponed from the last quarter of FY99, i.e. not all the requested \$160,000 in FY2000 OE is additional.

Totals by Staffing Category - FY 1997 Ceiling

Staff	SO 1.2 Increased soundness of fiscal policies and fiscal management practices	SO 1.3 Accelerated development and growth of private enterprises (SME)	SO 1.4 A more competitive and market-responsive private financial sector	SO 2.1 Increased, better informed citizens' participation in community, political and economic decision making	SO 2.3 More effective, responsible, and accountable local government	SO 3.3 Reduced environmental risks to public health	SO 4.X Cross-cutting programs and special initiatives	Subtotal S.O. Staff	Support Offices								Grand Total Staff
									Mission Mgt.	Con-troller	EXO	Con-tracts	Legal	Program	Other	Subtotal Support Staff	
USDH		0.5			0.5	0.5		1.5	1		1			0.5		2.5	4
USPSC (OE/TF)																	
USPSC (Program Funded)				1	1			2						1		1	3
Total USPSCs				1	1			2						1		1	3
FSN/TCN Direct Hire (OE/TF)																	
FSN/TCN Non Direct Hire (OE/TF)									1		9					10	10
FSN/TCN Non Direct Hire (Program Funded)		2		3		1.5	0.5	7								7	7
Total FSN/TCN Non Direct Hire		2		3		1.5	0.5	7	1		9					10	17
Total FSN/TCN (OE/TF)									1		9					10	10
Total FSN/TCN (Program Funded)		2		3		1.5	0.5	7								7	7
Total FSN/TCN Staff		2		3		1.5	0.5	7	1		9					10	17
Total Other (RSSA, PASA, IPA) (OE/TF)																	
Total Other (RSSA, PASA, IPA) (Program Funded)																	
Total FSN/TCN Staff																	
Total OE/TF Staff (includes USDH)		0.5			0.5	0.5		1.5	2		10			0.5		12.5	14
Total Program Funded Staff		2		4	1	1.5	0.5	9						1		1	10
Grand Total All Staff		2.5		4	1.5	2	0.5	10.5	2		10			1.5		13.5	24

Notes:

* TAACs and Fellows count against G ceilings only and thus are "below the line" for field operating units. Service in the capacity of TAACs should be reported as TAACs regardless of the hiring mechanism. They should not be reported under PSCs, PASAs, RSSAs, etc.

The data in the table reflects positions, NOT, on-board strength or FTEs. You can divide the positions of people working on more than one SO, but do not subdivide in units of less than a half (0.5).

Provide separate tables for FY 97, 98, and 99.

Totals by Staffing Category - FY 1998 Ceiling

Staff	SO 1.2 Increased soundness of fiscal policies and fiscal management practices	SO 1.3 Accelerated development and growth of private enterprises (SME)	SO 1.4 A more competitive and market-responsive private financial sector	SO 2.1 Increased, better informed citizens' participation in community, political and economic decision making	SO 2.3 More effective, responsible, and accountable local government	SO 3.3 Reduced environmental risks to public health	SO 4.X Cross-cutting programs and special initiatives	Subtotal S.O. Staff	Support Offices								Grand Total Staff	
									Mission Mgt.	Controller	EXO	Contracts	Legal	Program	Other	Subtotal Support Staff		
USDH		0.5						0.5	1		1				0.5		2.5	3
USPSC (OE/TF)															1		1	1
USPSC (Program Funded)				0.5	0.5			1							1		1	1
Total USPSCs				0.5	0.5			1							1		1	2
FSN/TCN Direct Hire (OE/TF)																		
FSN/TCN Non Direct Hire (OE/TF)									1		9						10	10
FSN/TCN Non Direct Hire (Program Funded)		2		2.5	0.5	1	0.5	6.5						0.5		0.5	7	7
Total FSN/TCN Non Direct Hire		2		2.5	0.5	1	0.5	6.5	1		9			0.5		10.5	17	17
Total FSN/TCN (OE/TF)									1		9						10	10
Total FSN/TCN (Program Funded)		2		2.5	0.5	1	0.5	6.5						0.5		0.5	7	7
Total FSN/TCN Staff		2		2.5	0.5	1	0.5	6.5	1		9			0.5		10.5	17	17
Total Other (RSSA, PASA, IPA) (OE/TF)																		
Total Other (RSSA, PASA, IPA) (Program Funded)																		
Total FSN/TCN Staff																		
Total OE/TF Staff (includes USDH)		0.5						0.5	2		10			1.5		13.5	14	14
Total Program Funded Staff		2		3	1	1	0.5	7.5						0.5		0.5	8	8
Grand Total All Staff		2.5		3	1	1	0.5	8	2		10			2		14	22	22

Notes:

* TAACs and Fellows count against G ceilings only and thus are "below the line" for field operating units. Service in the capacity of TAACs should be reported as TAACs regardless of the hiring mechanism. They should not be reported under PSCs, PASAs, RSSAs, etc.

The data in the table reflects positions, NOT, on-board strength or FTEs. You can divide the positions of people working on more than one SO, but do not subdivide in units of less than a half (0.5).

Provide separate tables for FY 97, 98, and 99.

Totals by Staffing Category - FY 1999 Target

Staff	SO 1.2 Increased soundness of fiscal policies and fiscal management practices	SO 1.3 Accelerated development and growth of private enterprises (SME)	SO 1.4 A more competitive and market-responsive private financial sector	SO 2.1 Increased, better informed citizens' participation in community, political and economic decision making	SO 2.3 More effective, responsible, and accountable local government	SO 3.3 Reduced environmental risks to public health	SO 4.X Cross-cutting programs and special initiatives	Subtotal S.O. Staff	Support Offices							Subtotal Support Staff	Grand Total Staff
									Mission Mgt.	Controller	EXO	Contracts	Legal	Program	Other		
USDH									1							1	1
USPSC (OE/TF)											1			1		2	2
USPSC (Program Funded)				1				1									1
Total USPSCs				1				1			1			1		2	3
FSN/TCN Direct Hire (OE/TF)																	
FSN/TCN Non Direct Hire (OE/TF)									1		9					10	10
FSN/TCN Non Direct Hire (Program Funded)				2.5	0.5	1	0.5	4.5					1.5		1.5	6	6
Total FSN/TCN Non Direct Hire				2.5	0.5	1	0.5	4.5	1		9		1.5		11.5	16	16
Total FSN/TCN (OE/TF)									1		9				10	10	10
Total FSN/TCN (Program Funded)				2.5	0.5	1	0.5	4.5					1.5		1.5	6	6
Total FSN/TCN Staff				2.5	0.5	1	0.5	4.5	1		9		1.5		11.5	16	16
Total Other (RSSA, PASA, IPA) (OE/TF)																	
Total Other (RSSA, PASA, IPA) (Program Funded)																	
Total FSN/TCN Staff																	
Total OE/TF Staff (includes USDH)									2		10			1	13	13	13
Total Program Funded Staff				3.5	0.5	1	0.5						1.5		1.5	1.5	1.5
Grand Total All Staff				3.5	0.5	1	0.5	5.5	2		10		2.5		14.5	20	20

Notes:

SOME POSITIONS WILL CONTINUE INTO FIRST QUARTER ONLY, FY 2000

Provide separate tables for FY 97, 98, and 99.

Totals by Staffing Category - FY 1999 Request

Staff	SO 1.2 Increased soundness of fiscal policies and fiscal management practices	SO 1.3 Accelerated development and growth of private enterprises (SME)	SO 1.4 A more competitive and market-responsive private financial sector	SO 2.1 Increased, better informed citizens' participation in community, political and economic decision making	SO 2.3 More effective, responsible, and accountable local government	SO 3.3 Reduced environmental risks to public health	SO 4.X Cross-cutting programs and special initiatives	Subtotal S.O. Staff	Support Offices							Grand Total Staff	
									Mission Mgt.	Controller	EXO	Contracts	Legal	Program	Other		Subtotal Support Staff
USDH									1					1		2	2
USPSC (OE/TF)											1					1	1
USPSC (Program Funded)				1				1								1	1
Total USPSCs				1				1			1					1	2
FSN/TCN Direct Hire (OE/TF)																	
FSN/TCN Non Direct Hire (OE/TF)									1		9					10	10
FSN/TCN Non Direct Hire (Program Funded)				2.5	0.5	1	0.5	4.5					1.5		1.5	6	6
Total FSN/TCN Non Direct Hire				2.5	0.5	1	0.5	4.5	1		9		1.5		11.5	16	16
Total FSN/TCN (OE/TF)									1		9				10	10	10
Total FSN/TCN (Program Funded)				2.5	0.5	1	0.5	4.5					1.5		1.5	6	6
Total FSN/TCN Staff				2.5	0.5	1	0.5	4.5	1		9		1.5		11.5	16	16
Total Other (RSSA, PASA, IPA) (OE/TF)																	
Total Other (RSSA, PASA, IPA) (Program Funded)																	
Total FSN/TCN Staff																	
Total OE/TF Staff (includes USDH)									2		10			1	13	13	13
Total Program Funded Staff				3.5	0.5	1	0.5	5.5					1.5		1.5	7	7
Grand Total All Staff				3.5	0.5	1	0.5	5.5	2		10		2.5		14.5	20	20

Notes:

SOME POSITIONS WILL CONTINUE INTO FIRST QUARTER ONLY, FY 2000

Provide separate tables for FY 97, 98, and 99.

Operating Expenses

Org. Title: USAID Slovakia Org. No: 193 OC		Overseas Mission Budgets														
		FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
		Dollars	TF	Total												
23.3	ADP Hardware Lease	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23.3	Commercial Time Sharing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23.3	Postal Fees (Other than APO Mail)	1	0	1	5	0	5	7	0	7	0.5	0	0.5	0.5	0	0.5
23.3	Other Mail Service Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23.3	Courier Services	1	0	1	1	0	1	1	0	1	0.5	0	0.5	0.5	0	0.5
	Subtotal OC 23.3	26	0	26	29.5	0	29.5	31.5	0	31.5	7	0	7	7	0	7
24	Printing and Reproduction	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Subtotal OC 24.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25.1	Advisory and assistance services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.1	Studies, Analyses, & Evaluations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25.1	Management & Professional Support Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25.1	Engineering & Technical Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Subtotal OC 25.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25.2	Other services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.2	Office Security Guards	11	0	11	11	0	11	11	0	11	2.8	0	2.8	2.8	0	2.8
25.2	Residential Security Guard Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25.2	Official Residential Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25.2	Representation Allowances	0.5	0	0.5	0.5	0	0.5	0.5	0	0.5	0.5	0	0.5	0.5	0	0.5
25.2	Non-Federal Audits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25.2	Grievances/Investigations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25.2	Insurance and Vehicle Registration Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25.2	Vehicle Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25.2	Manpower Contracts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25.2	Records Declassification & Other Records Service	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25.2	Recruiting activities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25.2	Penalty Interest Payments	0.3	0	0.3	0.3	0	0.3	0.3	0	0.3	0	0	0	0	0	0
25.2	Other Miscellaneous Services	4.5	0	4.5	4	0	4	4	0	4	2	0	2	2	0	2
25.2	Staff training contracts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25.2	ADP related contracts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Subtotal OC 25.2	16.3	0	16.3	15.8	0	15.8	15.8	0	15.8	5.3	0	5.3	5.3	0	5.3
25.3	Purchase of goods and services from Government ac	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.3	ICASS	80	0	80	80	0	80	80	0	80	20	0	20	20	0	20
25.3	All Other Services from Other Gov't. accounts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Subtotal OC 25.3	80	0	80	80	0	80	80	0	80	20	0	20	20	0	20
25.4	Operation and maintenance of facilities	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.4	Office building Maintenance	0	0	0	25	0	25	25	0	25	0	0	0	0	0	0
25.4	Residential Building Maintenance	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0
	Subtotal OC 25.4	1	0	1	25	0	25	25	0	25	0	0	0	0	0	0

Program Funding

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12-Nov-98
02:01 PM

Country/Program: USAID/SLOVAKIA
Scenario: Base Level

S.O. # , Title	Approp. Acct	Bilateral/Field Support	Est. SO Pipeline End of FY 97	Estimated Total FY98	FY 1998										Est. Total Cost life of SO	Future Cost (POST 2000)	Year of Final Oblig.	
					Basic Education	Agric.	Other Growth	Pop	Child Survival	Infectious Diseases	HIV/AIDS	Other Health	Environ	D/G				Est. Expend. FY 98
SO 1.1 Increased Transfer of State-owned Assets to the Private Sector																		
	SEED	Bilateral Field Spt		0													0	XX
		Total	1,710	0	0	0	0	0	0	0	0	0	0	0	1,710	7,887	0	95
SO 1.2 Increased Soundness of Fiscal Policy and Fiscal Management Practices																		
	SEED	Bilateral Field Spt		0													0	XX
		Total	474	0	0	0	0	0	0	0	0	0	0	474	3,769	0	97	
SO 1.3 Accelerated Development and Growth of Private Enterprises																		
	SEED	Bilateral Field Spt		0													0	XX
		Total	3,735	0	0	0	0	0	0	0	0	0	0	3,735	38,437	0	97	
SO 1.4 A Competitive, Market-oriented Private Financial Sector																		
	SEED	Bilateral Field Spt		0								0					0	XX
		Total	771	0	0	0	0	0	0	0	0	0	0	771	6,993	0	97	
SO 1.5 A More Economically Sound and Environmentally Sustainable Energy System																		
	SEED	Bilateral Field Spt		0													0	XX
		Total	34	0	0	0	0	0	0	0	0	0	0	34	8,719	0	95	
SO 2.1 Increased , Better Informed Citizen's Participation in Community Political and Economical Decision Making																		
	SEED	Bilateral Field Spt		0													0	XX
		Total	3,929	3,200	0	0	0	0	0	0	0	0	3,200	2,600	15,674	0	99	
SO 2.3 More Effective, Responsible and Accountable Local Government																		
	SEED	Bilateral Field Spt		0													0	XX
		Total	1,678	1,800	0	0	0	0	0	0	0	0	1,800	1,200	9,764	0	98	
SO 3.3 Reduced Environmental Risks to Public Health																		
	SEED	Bilateral Field Spt		0													0	XX
		Total	1,575	1,160	0	0	0	0	0	0	0	1,160	0	1,100	17,849	0	98	
SO 4.1 Special Initiatives & Cross-cutting Programs																		
	SEED	Bilateral Field Spt		0													0	XX
		Total	5,692	1,840	0	0	0	0	0	0	375	0	1,465	3,800	68,301	0	98	
Total Bilateral			0	0	0	0	0	0	0	0	0	0	0	0				
Total Field Support			0	0	0	0	0	0	0	0	0	0	0	0				
TOTAL PROGRAM			19,598	8,000	0	0	0	0	0	0	375	1,160	6,465	15,424	177,393	0		

Program Funding

USAID FY 1999 Budget Request by Program/Country

12-Nov-98
02:01 PM

Country/Program: USAID/SLOVAKIA
Scenario: Base Level

S.O. # , Title	Bilateral/Field Support		Est. SO Pipeline End of FY 98	Estimated Total FY 99	FY 1999										Est. Total Cost life of SO	Future Cost (POST 2000)	Year of Final Oblig.	
					Basic Education	Agric.	Other Growth	Pop	Child Survival	Infectious Diseases	HIV/AIDS	Other Health	Environ	D/G				Est. Expend. FY 99
SO 2.1 Increased , Better Informed Citizen's Participation in Community Political and Economical Decision Making																		
	SEED	Bilateral		0													0	XX
		Field Spt		0														
	Total		4,529	2,000	0	0	0	0	0	0	0	0	0	3,000	3,800	15,674	0	99
SO 2.3 More Effective, Responsible and Accountable Local Government																		
	SEED	Bilateral		0													0	XX
		Field Spt		0														
	Total		2,278	0	0	0	0	0	0	0	0	0	0	1,808	9,764		0	98
SO 3.3 Reduced Environmental Risks to Public Health																		
	SEED	Bilateral		0														
		Field Spt		0														
	Total		1,635	0	0	0	0	0	0	0	0	0	0	710	17,849		0	98
SO 4.1 Special Initiatives & Cross-cutting Programs																		
	SEED	Bilateral		0														
		Field Spt		0														
	Total		3,732	0	0	0	0	0	0	0	0	0	0	1,600	68,301		0	98
Total Bilateral			0	0	0	0	0	0	0	0	0	0	0					
Total Field Support			0	0	0	0	0	0	0	0	0	0	0					
TOTAL PROGRAM			12,174	2,000	0	0	0	0	0	0	0	0	3,000	7,918	111,588		0	

April 7, 1998
Slovakia Country Planning Budget, FY97-FY2000
By Strategic Objective
(in dols. thousands)

Project No.		FY97 Actual	FY98 OYB	FY99 R4
SO 1.1. Increased Transfer of State-owned Assets to the Private Sector				
180-0014	* Transactions Team	0	0	0
	Subtotal SO 1.1	0	0	0
SO 1.2 Increased Soundness of Fiscal Policy and Fiscal Management Practices				
180-0024.05	* USDA*	250	0	0
180-0027.01	* TA/Finan Serv (Treas)	0	0	0
180-0034	* Housing Allowances (UI)	0	0	0
	Subtotal SO 1.2	250	0	0
	* Activity ends January 1998.			
SO 1.3 Accelerated Development and Growth of Private Enterprises				
180-0014	* Enterprise Restructuring (SBBAC)	2,090	0	0
180-0023.01	* IESC Private Enterprise grant	550	0	0
180-0023.05	* MBA Enterprise Corps	0	0	0
180-0023.07	* Peace Corps (EBDP)	0	0	0
180-0023.11	* Entrepreneurial Mgmt & Executive De	790	0	0
180-0023.93	* PSC's	0	0	0
180-0024.01	* VOCA grant	400	0	0
180-0024.04	* agribusiness TA & training (RAAPS-I	0	0	0
180-0026.14	* Bankruptcy (Carana)	0	0	0
180-0029.01	* large grants competition (UPitt)	500	0	0
	Subtotal SO 1.3	4,330	0	0
SO 1.4 A Competitive, Market-oriented Private Financial Sector				
180-0014	* Bank Supervision (Barents, IBTCI)	0	0	0
180-0014	* Bank Advisory Project (SBBAC/A. Ar	150	0	0
180-0027.02	* FSVC grant (buy-in to PRE)	0	0	0
	Subtotal SO 1.4	150	0	0
SO 1.5 A More Economically Sound and Environmentally Sustainable Energy System				
180-0030.01	* Industry Contracts/Utility Grants	0	0	0
180-0030.02	* PASA/IAA with DOE	0	0	0
180-0030.04	* grant to USEA	0	0	0
180-0030.05	* IAA with NRC	0	0	0
	Subtotal SO 1.5	0	0	0
SO 2.1 Increased, Better Informed Citizens' Participation in Community Political and Economic Decision-making				
180-0020	* Partners for Democratic Change	0	93	0
180-0020.02	* ABA Grant (Rule of Law)	250	257	0
180-0021.01	* Educational reform (ORAVA)	550	375	0

180-0021	* Int'l Foundation for Electoral Systems	250	100	0
180-0021.05	* NDI	700	300	0
180-0021.05	* IRI	0	400	0
180-0021.08	* AFL-CIO support (FTUI)	410	625	0
180-0021.14	* Democracy Advisor PSC's	160	0	0
180-0022.01	* Promedia Program (IREX)	0	800	0
180-0022.02	* Media training (USIA)	100	100	0
180-0023.07	* Peace Corps (SPA)	100	0	0
180-0024.01	* VOCA grant	400	400	0
180-0032	* ICNL	50	0	0
180-0032.09	* Democracy Network Grant (FCS)	500	0	0
180-0032	* NGO Support/Foundations/Sustainat	0	0	1,800
180-0032	* AID Affairs Staff PSC's	0	0	200
180-xxxx	* Trans to USIA for Democ. Commissic	150	150	0
	Subtotal SO 2.1	3,620	3,600	2,000

SO 2.3 More Effective, Responsible and Accountable Local Government

180-0034	* Local self-government (ICMA/UI & G	2,150	1,750	0
180-0034	* USAID Urban Development Advisor I	75	0	0
180-0034	* Private Sector Housing (UI/PADCO)	100	100	0
	Subtotal SO 2.3	2,325	1,850	0

SO 3.3 Reduced Environmental Risks to Public Health

180-0004.11	* HIID	1,300	1,200	0
180-0004.01	* World Environmental Ctr grant	200	0	0
180-0038	* Buy-in to G Bureau Environmental Hc	0	0	0
180-0039.01	* IAA with EPA	0	0	0
180-0039.09	* Water Quality & Investment (GEF/Da	0	0	0
180-0039.10	* EAP Investments	0	0	0
180-0041	* Environmental Training	250	0	0
	Subtotal SO 3.3	1,750	1,200	0

ENI Objective 4.1 Special Initiatives

180-0037	* Partnerships in Health Care (AIHA)	625	75	0
180-0038	* Local Health Reform "New Procurem	260	160	0
180-0038	* Health Management Education Proje	440	0	0
180-0038	* Healthy Communities (AIHA)	150	0	0
180-0038	* AIHA Local Contractor to manage ac	0	0	0
180-0002.07	* Int'l Student Exch Program (Georgetc	0	0	0
180-0002.09	* English Teaching (USIA)	250	0	0
180-0019.01	* Technical Assistance & Equipment (F	0	0	0
180-0023.13	* New Small Business Activity (UNIDO	0	0	0
180-0023.16	* UNIDO Potential Profit Centers Tec	0	0	0
180-0026.04	* Telecommunications policy (State)	0	0	0
180-0045.02	* USIA (Marshall & Humphrey Scholar	0	0	0
180-0045.09	* Program Management/G Transfer	0	0	0
180-xxxx	* Parking Fines Set Asides	5	5	0
180-xxxx	* Transfer to State - Science & Techno	0	0	0

	Subtotal SO 4.1	1,730	240	0
ENI Objective 4.2 Cross-Cutting Programs				
180-0045.01	* PTPE (Transit)	550	700	0
180-0249.01	* Evaluation	0	150	0
180-0249.02	* Project Support	295	260	0
	Subtotal SO 4.2	845	1,110	0
	Totals	15,000	8,000	2,000

April 6, 1998
Slovakia Country Planning Budget, FY97-FY2000
(in dols. thousands)

Project No.		FY97 Actual	FY98 OYB	FY99 R4
A. STRENGTHENING DEMOCRATIC INSTITUTIONS				
1. Political Process and Governance				
180-0019	Democratic Governance and Public Administration			
.01	* Technical Assistance & Equipment (Fro	0	0	0
.02	* Senate - Gift of Democracy/Team Techn	0	0	0
.03	* North Atlantic Assembly	0	0	0
.04	* Public Management	0	0	0
.05	* Local Government	0	0	0
.06	* USIA	0	0	0
.07	* Public Administration	0	0	0
	PROJECT TOTAL	0	0	0
180-0020	Rule of Law			
	* Partners for Democratic Change	0	93	0
.01	* USIA	0	0	0
.02	* ABA Grant (Rule of Law)	250	257	0
	* Conflict Resolution (Partners for Democ	0	0	0
	PROJECT TOTAL	250	350	0
2. Democratic Pluralism				
180-0021	Political and Social Process			
	* Int. Found. Elec. Syst. (IFES)	250	100	0
.01	* Educational reform (ORAVA)	550	375	0
.02	* Civil Society & Ethnic Relations		0	0
.03	* Books for Democracy (USIA)		0	0
.04	* Books for Albania		0	0
.05	* Political orgs.		0	0
	- IRI	0	400	0
	- NDI	700	300	0
	- Parliamentary advisor		0	0
.07	* Citizens' networks (USIA)		0	0
.08	* AFL-CIO support (FTUI)	410	625	0
.09	* German Marshall Fund		0	0
.10	* American University of Bulgaria		0	0
.11	* Yugoslav New Republics (USIA)		0	0
.12	* Educational Reform (centers)		0	0
.14	* Democracy Advisor PSC's	160	0	0
	PROJECT TOTAL	2,070	1,800	0
180-0022	Independent Media			
.01	* Promedia Program (IREX)	0	800	0
.02	* Media training (USIA) **	100	100	0
.03	* USIA Media Training - Baltics	0	0	0
.04	* News Print - Albania (USIA)	0	0	0

.05	* Printing press - Albania	0	0	0
	PROJECT TOTAL	100	900	0
	** Depending upon demand for assistance and need to continue both p			
180-0032	Non Governmental Organization (NGO) Dev. Project			
	- ICNL	50	0	0
.09	- Democracy Network Grant (FCS)	500	0	0
	- NGO Support/foundation/sust. fund	0	0	1,800
	- AID Affairs Staff PSC's	0	0	200
	PROJECT TOTAL	550	0	2,000

B. ECONOMIC RESTRUCTURING

2. Privatization and Assistance to Enterprises

180-0014	Privatization and Enterprise Restructuring			
	* Enterprise Restructuring (SBBAC)*	2,090	0	0
	* Bank Advisory Project (SBBAC/A. Ander:	150	0	0
	* Transactions Team (Deloitte/Crimson)	0	0	0
	* Bank Supervision (Barents, IBTC)	0	0	0
	PROJECT TOTAL	2,240	0	0

* Activities to end before 12/31/97.

180-0023	Technical Assistance to Enterprises			
.01	* IESC Private Enterprise grant	550	0	0
.02	* APRE IRIS & Gemini	0	0	0
.03	* CIPE (Chamber)	0	0	0
.04	* IFC business advisory services	0	0	0
.05	* MBA Enterprise Corps	0	0	0
.06	* WOCCU (Poland)	0	0	0
.07	* Peace Corps (EBDP)	0	0	0
	* Peace Corps (SPA)	100	0	0
.08	* CARESBAC Poland	0	0	0
.09	* IESC Defense Conversion grant	0	0	0
.10	* CSIS Poland	0	0	0
.11	* Entrepreneurial Mgmt & Executive Dev.	790	0	0
.12	* Albanian SME Foundation	0	0	0
.13	* UNIDO New Small Business Activity	0	0	0
.14	* CDC Business Enterprise Project	0	0	0
.15	* PSC's	0	0	0
.16	* UNIDO Potential Profit Centers Techn	0	0	0
	PROJECT TOTAL	1,440	0	0

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3. Improving the Business Climate

180-0026	Competition Policy, Laws & Regulations			
.02	* Antitrust law advice (DOJ/FTC)	0	0	0

.03	* Transition to world mkts (OECD Grant)	0	0	0
.04	* Telecommunications policy (State)	0	0	0
.05	- Commerce (Gov't to Gov't)	0	0	0
.06	- Intl Dev Law Inst (IDLI) Grant (Legal I	0	0	0
.13	* Collateral Law (IRIS)	0	0	0
.14	* Bankruptcy (Carana)	0	0	0
	PROJECT TOTAL	0	0	0

180-0027 Business Services

.01	* TA/Finan Serv (Treas) *	0	0	0
.02	* FSVC grant (buy-in to PRE)	0	0	0
.03	* Securities Market T.A. (SEC)	0	0	0
.04	* Whitehead Long-Term Advisor	0	0	0
.05	* (Other) PSC	0	0	0
.06	* Bank Training (KPMG/Barents)	0	0	0
	PROJECT TOTAL	0	0	0

* FY95 funds & pipeline will carry activity until at least June 1997.

4. Investment and Trade

180-0010 Enterprise Funds

.03	* Czech & Slovak Enterprise Fund	0	0	0
	PROJECT TOTAL	0	0	0

5. Human Resources

180-0002 Human Resources Program

.03	* USIA	0	0	0
.07	* Int'l Student Exch Program (Georgetowr	0	0	0
.08	* Title VIII Program (D.A. 91-92/SAI earn	0	0	0
.09	* English Teaching (USIA)	250	0	0
.16	* Fultz School (Albania)	0	0	0
	PROJECT TOTAL	250	0	0

180-0045 Participant Training

.01	* PTPE/(TRANSIT)	550	700	0
.02	* USIA	0	0	0
.03	* Salzburg Seminar	0	0	0
.04	* Institute for Diplomatic Training	0	0	0
.05	* Monitoring Evaluation	0	0	0
.06	* USIA - Muskie Scholarships	0	0	0
.07	* Small Grants Program	0	0	0
.08	* Third Country Training	0	0	0

.09	* Program Management/G Transfer	0	0	0
	PROJECT TOTAL	550	700	0
180-0052	* Customs Service Training	0	0	0
180-0029	Management Training & Market Economics Education (MTEE)			
.01	* large grants competition (UPitt)*	500	0	0
.02	* small grants competition (USIA)	0	0	0
	PROJECT TOTAL	500	0	0

* FY97 funding dependent upon outcome of negotiations with partner U

6. Agriculture and Agribusiness

180-0024	Restructuring Agriculture and Agribusiness			
.01	* VOCA grant*	800	400	0
.03	* NCBA ACE	0	0	0
.04	* agribusiness TA & training (RAAPS-low	0	0	0
.05	* USDA**	250	0	0
.06	* ACDI (World Bank-related)	0	0	0
.07	* Dairy farming/Land O'Lakes (DA Fundin	0	0	0
.08	* other Private Sector (FY92) ABS	0	0	0
.09	* Albania Sector Support (IFDC)	0	0	0
.10	* Romania Sector Support (IFDC)	0	0	0
.11	* PSC	0	0	0
.12	* Privatization of Agriculture & Urban Lands (PAL)	0	0	0
.13	* Research & Technology Transfer	0	0	0
.14	* Rural Financial Institutions	0	0	0
	PROJECT TOTAL	1,050	400	0

* 50 percent of FY97 budget is allocated to SO 1.3 and 50% to SO 2.

** Activity ends January 1998.

8. Energy Efficiency

180-0030	Regional Energy Efficiency			
.01	* Industry Contracts/Utility Grants	0	0	0
.02	* PASA/IAA with DOE*	0	0	0
.03	* Energy Information Systems	0	0	0
.04	* grant to USEA	0	0	0
.05	* IAA with NRC	0	0	0
.06	* IQC	0	0	0
.07	* Grant to IEA	0	0	0
.08	* Department of Interior	0	0	0
.09	* EBRD Nuclear Safety Fund	0	0	0
	PROJECT TOTAL	0	0	0

* SEED-funded activity to end. FY96 and beyond are funded by DO

C. IMPROVING THE QUALITY OF LIFE

1. Short-term Emergency & Humanitarian Aid				
180-0016	Humanitarian Emergency Medical Supply	0	0	0
	PROJECT TOTAL	0	0	0
180-0032 Non Governmental Organization (NGO) Dev. Project				
.01	- Holt Romanian Adoption	0	0	0
.02	- Romanian child health grant(D.A. 91-	0	0	0
.03	- CDC Grant	0	0	0
.05	- ORT (Albania)	0	0	0
.06	- Yugoslav War Victims	0	0	0
.07	- NGO Humanitarian Grants	0	0	0
.08	-PVO Workshop	0	0	0
	PROJECT TOTAL	0	0	0
2. Employment and the Social Safety Net				
180-0033	Labor Market Transition (DOL)	0	0	0
	PROJECT TOTAL	0	0	0
3. Housing				
180-0034	Housing Sector Assistance			
	- Local self-government (ICMA/UI & G-EHP)*	2,150	1,750	0
	- Private Sector Housing (UI & PADCO)	100	100	0
	- Housing Allowances (UI)	0	0	0
	- USAID Urban Development Advisor PSC's	75	0	0
	PROJECT TOTAL	2,325	1,850	0
	* To be examined following evaluation of SO 2.3			
4. Health				
180-0037	Partnerships in Health Care (AIHA)	625	75	0
	PROJECT TOTAL	625	75	0
180-0038	Promotion of Private Health Markets			
	AIHA:			
	- Local Contractor to manage activities	0	0	0
	- Health Management Education Project	440	0	0
	- Healthy Communities	150	0	0
	- Local Health Reform	260	160	0
	Buy-in to G Bureau Environmental Health	0	0	0
	PROJECT TOTAL	850	160	0

5. Environment				
180-0039	Improved Public Sector Environmental Services			

.01	* IAA with EPA	0	0	0
.02	* Center for Clean Air Policy	0	0	0
.03	* World Wildlife Fund	0	0	0
.04	* National Park Service	0	0	0
	* Nature Conservation (GEF)	0	0	0
.05	* USDA	0	0	0
.06	* Local Government	0	0	0
.07	* WASH Buy-in (Danube)	0	0	0
.08	* RSSA with EPA	0	0	0
.09	* Water Quality & Investment (GEF/Danu	0	0	0
.10	* EAP Investments	0	0	0
	* Estonia Hot Spots	0	0	0
.11	* Albania Forestry	0	0	0
	PROJECT TOTAL	0	0	0
180-0004	Environmental Initiatives			
.01	* World Environmental Ctr grant	200	0	0
.02	* World Wildlife Fund	0	0	0
.03	* Health Financing Study	0	0	0
.04	* DOE 632(b)	0	0	0
.06	* Regional Environment Center	0	0	0
.07	* Krakow Air/Water	0	0	0
.08	* IPA Contract/WEC	0	0	0
.09	* Info Dissemination/Outreach	0	0	0
.10	* RSSA with EPA	0	0	0
.11	* HIID	1,300	1,200	0
.12	* Env. Investments: Pride	0	0	0
.13	* PSC Parks	0	0	0
	PROJECT TOTAL	1,500	1,200	0
180-0041	Environmental Training	250	0	0
	PROJECT TOTAL	250	0	0

D. MISCELLANEOUS

180-0249	Audit, Evaluation, and Project Support			
.01	* Evaluation	0	150	0
.02	* Project Support *	295	260	0
	PROJECT TOTAL	295	410	0

* for social and economic data collection and monitoring.

180-xxxx	Reserved or Withheld from OYB			
	* Parking Fines Set Asides	5	5	0
	* Prorated Share of Global Bureau Core C	0	0	0
.13	* Trans to USIA for Democracy Commissi	150	150	0
	* Transfer to G Bureau for TAACS	0	0	0
	* Transfer to State - Science & Technolog	0	0	0
	PROJECT TOTAL	155	155	0

* If it continues as 632(a) transfer and considered essential

180-0001 AID Administrative Expenses	0	0	0
COUNTRY PLANNING TOTAL	15,000	8,000	2,000
Unallocated	0	0	0

Slovakia Illustrative FY99 Alternate Budg

By Strategic Objective (in dols. thousands)

Project No.		R2 FY 99 Request	Altern. ILLUS. FY99
SO 2.1 Increased, Better Informed Citizens' Participation in Community Political and Economic Decision-making			
180-0020	* Rule of Law/Constitutional Reform	0	200
180-0021	* Young Political Leaders Training	0	200
180-0021	* Trade Union Partnerships	0	200
180-0032	* NGO Support/Foundations/Sustainability Funds	1,800	2,000
180-0032	* AID Affairs Staff PSC's	200	200
Subtotal SO 2.1		2,000	2,800
ENI Objective 4.2 Cross-Cutting Programs			
180-0045.01	* PTPE (Transit)	0	200
180-0249.01	* Evaluation	0	
180-0249.02	* Project Support	0	
Subtotal SO 4.2		0	200
Totals		2,000	3,000

ANNEX I

PERFORMANCE DATA TABLES

PART II: PERFORMANCE ASSESSMENT

Table I - Performance Data
Baseline, Targets, and Actual Results

SO 1.2: Increased Soundness of Fiscal Policies and Fiscal Management Practices

RESULT LEVEL (S.O. OR I.R.) AND NO.	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION* AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS									
						1996		1997		1998		1999		2000	
				YEAR	VALUE	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
SO 1.2	Increased soundness of fiscal policies and fiscal management practices	Total public budget as percent of GDP	Definition: Unit: Percent	1994	41%	39%	30.8	38%	33.9%	37%		36%		35%	
IR 1.2.1	Increased economic efficiency and equity of the tax system	Tax rates	Definition: Top individual tax rate (ind) Corporate rate (corp) Unit:	1995	42% (ind) 40% (corp)			40%	n.a			38%			
		Tax base	Definition: Number of individual and corporate taxpayers Unit:	1995	2.2 m (ind) 32,000 (corp)		2.2 m (ind) 32,000 (corp)	2.5 m (ind) 35,000 (corp)	n.a	2.8 m (ind) 38,000 (corp)		3.0 m (ind) 41,000 (corp)		3.1 m (ind) 43,000 (corp)	
IR 1.2.1.1	Income tax law reformed	Tax law	Definition: Comprehensive amendments Unit:				in MOF draft	enacted	submitted & with-drawn						
		Net operating loss carryover rule	Definition: Unit:				in MOF draft	revised	submitted & with-drawn						

RESULT LEVEL (S.O. OR I.R.) AND NO.	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION* AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS									
						1996		1997		1998		1999		2000	
				YEAR	VALUE	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
		Taxation of investment funds as pass-through entities	Definition: Unit:					enacted	submitted & with-drawn						
		Intercorporate dividends receive preference	Definition: Unit:					enacted	submitted & with-drawn						
		Ind. 401 (K)-type pension plan	Definition: Unit:					enacted	submitted & with-drawn						
IR 1.2.1.2	Analytical capacity improved	Utilization and refinement of key models	Definition: A) VAT model Unit:	1995	none			in use	staff trained						
			Definition: B) Individual income and social security tax model Unit:	1995	none	in use	completed		in use						
			Definition: C) Tax receipts monitoring and forecasting model Unit:	1995	being developed	in use	in use								

RESULT LEVEL (S.O. OR I.R.) AND NO.	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION* AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS									
						1996		1997		1998		1999		2000	
				YEAR	VALUE	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
IR 1.2.1.3	Increased effectiveness of tax administration	Use of key computerized tax administration systems	Definition: A) Automated audit selection system Unit:	1995	proposal accepted				MoF has skills	in use					
			Definition: B) Management information system Unit:	1995	none					in use					
			Definition: C) Automated correspondence system Unit:	1995	none				MoF has skills	in use					
IR 1.2.2	Improved efficiency of selected government expenditures	Agriculture subsidy policy revised to enhance productivity/profitability	Definition: Unit: Regional and sectoral subsidy policy revisions	1996	all sectors, regions	sector and regional analysis complete	all sectors no regions	sector revisions to subsidy policies	75-80 pct. due to GWA ACT	regional revisions to subsidy policies	N.A. bec. GoS change of regions				
		Expanded and timely price and supply information for agricultural commodities (reliable and available)	Definition: Unit: Price and supply information	1996	situation and outlook reports, hectares planted, ATIS* data	assess needs on existing system, organize action	ass't done TA for ATIS	price and crop reporting system improved	done multiple sources used	price and crop reporting system expanded	Gov't approved GWA				

RESULT LEVEL (S.O. OR I.R.) AND NO.	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION* AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS									
						1996		1997		1998		1999		2000	
				YEAR	VALUE	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
		Revised use of funds for market regulation and Ag bank financing	Definition: Unit: Decreased level of reserves, loans available for agriculture	1996	none	solvency and credit analysis	done	price rate loans available	Incr. but not suffic.	farm production credit system	GWA will estab. one				
		Percent of public housing expenditure targeted at low income earners	Definition: Unit: percent	1995	30%	30%	30%	60%	30%	100%					
		Quantitative analysis at Ministry of Environment	Definition: Unit: percent	1995	none	none		20 officials using analysis	20 (all)	100%	100%				
IR 1.2.2.1	Revised legal and policy framework	Means-tested housing allowance	Definition: Unit:					law passed	Post-poned						
		Housing loan funds for private market	Definition; Unit:					regs adopted	not adopted						
		Reduce average payment period by 50 percent	Definition: Unit: Average days of delinquent payment	1995	94 days	suggest prompt payment guidelines		law enacted		enforce prompt payment					

RESULT LEVEL (S.O. OR I.R.) AND NO.	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION* AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS									
						1996		1997		1998		1999		2000	
				YEAR	VALUE	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
		Increased exports of processed meat products by USDA certification	Definition: Unit:	1996	0	USDA-FSIS application	application in draft	one company approved	application submitted to USDA	3 companies approved	expect USDA approval				
		Increased quality and availability of fresh fruits and vegetables	Definition: Unit: Legislation passed	1996	0	F&V assessment	indicator dropped	legislation in place		2 orders formed					
		Market order system in place for agricultural products	Definition: Unit: Increased quality and availability of fresh fruits and vegetables			suggest language for prompt payment law		prompt payment law passed	passed in 1998		Ag Act passed				

* ATIS - Slovak abbreviation of Agro-Market Information Service

PART II: PERFORMANCE ASSESSMENT

Table I - Performance Data
Baseline, Targets, and Actual Results

SO 1.3: Accelerated Development and Growth of Private Enterprises (SME)

RESULT LEVEL (S.O. OR I.R.) AND NO.	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION* AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS									
						1996		1997		1998		1999		2000	
				YEAR	VALUE	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
SO 1.3	Accelerated Development and Growth of Private Enterprises (SME)	Number of medium-sized private industrial companies (Note that project focus changed in 1996 from direct enterprise assistance to capacity building and training)	Definition: Total private companies Unit: 100-1,000 employees Unit: % of target group directly impacted (cumulative)	1995	900	1,100	962	1,300	962	1,500		1,700		2,000	
					0	5%	6.2%	15%	7.3 %						
		Employment in medium-sized private industrial companies	Definition: Unit: Number of employees	1990	minimal	330,000	458,000 <i>NAD SME Report</i>	390,000	not available 3/98	450,000		510,000		600,000	
IR 1.3.1	Improved policy and legal environment	Bankruptcy Law	Definition: Latest change Unit:	1993	law amended			law amended	new law delayed	law amended	law amended 1/98	law replaced	delayed		
		Court time to process bankruptcy case	Definition: Average months Unit:	1996	24	indicator dropped in 1997		18							

RESULT LEVEL (S.O. OR I.R.) AND NO.	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION* AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS									
						1996		1997		1998		1999		2000	
				YEAR	VALUE	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
		Commercial mediation system in place and utilized for dispute resolution	Definition: mediators trained, cases resolved Unit: Number	1995	none	20 mediators trained	40 trained	12 cases resolved	27 cases						
IR 1.3.2	Targeted private business performance strengthened	Increase in profitability (absolute) SBBAC clients	Definition: Percent increase in net income annually (pre tax) Unit: percent increase over previous year	1995	-56m Sk -22.2%	5%	8 %	5%	2.5 %	5%		5%		5%	
		Increase in profitability (SBBAC clients)	Definition: EBITDA/sales Unit: Annual rate of increase in percent	1995	- 0.38%	5%	6.3%	7%	2.5%	5%		3%		2%	
		Sales per worker (VOCA)	Definition: Unit: Index. base year = 100	1996	100	100	120 (typical)	107	144 (typical)	112		116		118	
		Number of consulting firms trained in enterprise restructuring	Definition: Slovak firms trained by SBBAC	1995	0	n.a.	n.a.	12	8	0 (training ends)					
		Percent of IESC client companies reporting increase in sales	Definition: Percent of companies reporting Unit: percent	1996	20%	20%	13.75%	20%	51 % 1991-97	17%		14%		10%	
		Percent of IESC client companies reporting a decrease in unit cost of sales	Definition: Unit: Percent	1996	20%	20%	-0.2%	20%	48 % 1991-97	17%		14%		10%	

RESULT LEVEL (S.O. OR I.R.) AND NO.	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION* AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS									
						1996		1997		1998		1999		2000	
				YEAR	VALUE	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
IR 1.3.2.1	Marketing: Increased access and ability to respond to market information	Percentage increase in sales	Definition: Annual increase in targeted enterprises Unit: Percent	1995	252m	5%	2.4%	5%	6.8 %	5%		5%		5%	
IR 1.3.12.2	Operations: Increased applications of effective operation techniques, control techniques	Decrease in total labor cost as percentage of revenues	Definition: Annual decrease Unit: Percent	1995	20.2%	5%	19.7 %	5%	0.3 %	5%		5%		5%	
IR 1.3.2.3	Administration: Application of effective management systems & techniques	Cost per unit of sales	Definition: Annual rate of decrease Unit: Percent	1995	96.1%	5%	7%	7%	0.4 %	5%		3%		2%	
IR 1.3.2.4	Finance: Application of effective and up-to-date financial control systems	Inventory turnover	Definition: Cost of goods sold/inventory annual increase Unit: Percent	1995	3.5 times	10%	-11.4%	10%	9.7 %	7%		5%		5%	
		Interest-coverage ratio EBITDA/interest	Definition: Operating cash flow / interest expense Unit: Percent increase	1996	50%	10%	11.9%	10%	21 %	7%		5%		5%	
		Accounts/receivables turnover	Definition: sales/accounts receivable Unit: days ratio	1995	124 days ratio	110	94	100	105 days	90		90		90	
IR 1.3.2.5	Housing sector business associations strengthened	Membership	Definition: Cumulative increase in membership Unit: Percent of HH member	1995	(300)		(300)	15%	3.26% of (4200)	30%		40%		45%	

RESULT LEVEL (S.O. OR I.R.) AND NO.	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION* AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS									
						1996		1997		1998		1999		2000	
				YEAR	VALUE	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
		Self-supporting income / expenditure ratio	Definition: Unit: Percent	1996	15%		15%	50%	15%	100%		100%		100%	
IR 1.3.3	Sources of business training and assistance strengthened	Enhanced Economics University capacity to train students	Definition: Students taught by enhanced faculty Unit: Number	1995	0	750	850	1,500	1,500	3,000		5,000		9,000	
		Postdoctoral trained faculty (cumulative)	Definition: Completed postdoctoral study Unit: Number	1995	0	8	8	20	16	43		60			
		Participants trained in sectoral areas which support the strategic objective	Definition: Participants trained (EMED) Unit: Number of trainees	1995	60	60	80	60	59	60					
		Number of small businesses implementing skills and techniques acquired through P.Corps EBDP-supported activities	Definition: Unit: Number of firms (cumulative)	1995	60	120	163	180	191 (activity ended)	180		180		180	
		Number of firms the 8 SBBAC-trained consulting partners + new SBAC Slovak company have capacity to assist.	Definition: Unit: Total number of company clients per year	1995	0	40	41	60	65	65		70		70	

RESULT LEVEL (S.O. OR I.R.) AND NO.	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION* AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS									
						1996		1997		1998		1999		2000	
				YEAR	VALUE	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
		Capacity of SMTC to train students	Definition: Students taught by Slovak faculty Unit:	1995	0	120	560	600	572	700		800		900	
		Create a sustainable, viable, self-reliant training center (SMTC)		1995	0	Inst. base created	Yes	Created June	Created in Dec.						
		Create, sustainable, viable, self-reliant consultant company (for ex-SBBAC)						Created June	Created in Dec.						
		Number of Slovak consulting firms trained and capable of providing management accounting services and ABC	Definition: Unit: Number of firms	1995	0	4	5	6	6						
		Number of companies to which the trained consulting firms are able to deliver ABM or ABC	Definition: Unit: Number of firms	1995	0	150	175	225	225	275		325		325	

PART II: PERFORMANCE ASSESSMENT

Table I - Performance Data Baseline, Targets, and Actual Results

SO 1.4: A More Competitive and Market-Responsive Private Financial Sector

RESULT LEVEL (S.O. OR I.R.) AND NO.	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION* AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS									
						1996		1997		1998		1999		2000	
				YEAR	VALUE	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
SO 1.4	A More Competitive, Market-Responsive Private Financial Sector	Country rating	Definition: S&P rating Unit:	1995	BBB-	BBB-	BBB-	BBB	BBB-	BBB+	(Expect down-grade)	A		A+	
		Foreign capital inflow	Definition: Million dollars annually Unit: dollars	1992	70	175	142	200	121	250		300		350	
IR 1.4.1	Liquidity of securities markets increased	SK value of secondary market trading	Definition: Bonds and equities Unit: Billion SK	1994	0.2	40	114.1	50	434	62		80		100	
		SK value of primary market offerings	Definition: Bonds and equities, excluding Government Unit: Billion SK	1995	1.5	1.8	25.8	2.2	125.6	2.6		3.1		3.7	

RESULT LEVEL (S.O. OR I.R.) AND NO.	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION* AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS									
						1996		1997		1998		1999		2000	
				YEAR	VALUE	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
IR 1.4.1.1	Appropriate regulatory framework in place	Powers of Securities and Exchange Commission (SEC)	Definition: A) Disciplinary authority by Ministry of Finance Unit:	1995	none	partial	none	granted	none		Partial (Law in draft)	Law submitted (revised target date)		Granted (Revised target)	
			Definition: B) SEC licensing authority Unit:							granted	Partial (Law in draft)			Granted (Revised target)	
			Definition: C) SEC can register securities Unit:	1995	none					granted	Partial (Law in draft)			Granted (Revised target)	
			Definition: D) SEC status Unit:	1995	subordinate to Ministry of Finance							independent	delayed	independent (Revised target)	
		Powers of Association of Investment Funds and Association of Securities Dealers	Definition: A) Limited investigative powers from SEC Unit:	1995	none	informal	none	granted	none			informal (Revised target)		Granted (Revised target)	
			Definition: B) Authority to conduct statutory audits of participants Unit:	1995	none		none	experiment	none	granted	delayed	granted (revised target date)			

RESULT LEVEL (S.O. OR I.R.) AND NO.	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION* AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS									
						1996		1997		1998		1999		2000	
				YEAR	VALUE	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
			Definition: C) Licensing of independent brokers and investment managers Unit:	1995	none		none		none	can administer exams	delayed	achieved New target date: Can administer exams		achieved (New target date)	
IR 1.4.1.2	International accounting standards adopted	Number of firms listed on BSE meeting international accounting standards	Definition: Unit: Number	1995	8	10	below 10	14	15	18		23		28	
IR 1.4.2	Soundness of financial systems improved	SK value of long-term customer deposits	Definition: Medium and long-term Unit: Billion SK	1995	9.6	11	12	15	14 (June)	20		30		40	
IR 1.4.2	Soundness of financial systems improved	Loan loss reserves	Definition: Unit: Percent of loans	1995	16.25%	14%	14%	10%	14% (est.)	8%		5%		5%	
IR 1.4.2.1	Improved recapitalization of transitional banks	Basle capital adequacy ratio	Definition: 8% capital Unit:	1995	6.5%	7.5%	6.3%	8%	6.3% (est.)	8%		8.5%		9%	
IR 1.4.2.2	Improved lending practices instituted	Percent of loans classified	Definition: Rated by accepted standards as nonperforming Unit: Percent	1995	40%	40%	35%	35%	30%	25%		25%		25%	

RESULT LEVEL (S.O. OR I.R.) AND NO.	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION* AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS									
						1996		1997		1998		1999		2000	
				YEAR	VALUE	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
IR 1.4.2.3	Actions taken to increase share of private sector in banking	Percent of assets held by private banks	Definition: Banks with 67% privately held shares Unit: Percent	1995	30.35%	32%	32%	35%	36%	50%		60%		70%	
IR 1.4.2.4	More effective supervision of banks	Percent of banks examined on site per year	Definition: Unit: Percent	1993	0	20%	33%	30%	30% (pct. of all banking assets)	60%		60%		75%	
IR 1.4.3	Broader range of banking services offered and delivered	Municipal bond issues	Definition: Unit: Number per year	1993	1	7	9	12	23	12		15		18	
		Lending to private sector	Definition: Unit: Billion SK	1995	165	170	200	180	213	205		235		270	
		Long-term credit	Definition: Medium and long-term Unit: Billion SK	1995	125	150	169	200	126	220		240		265	
IR 1.4.3.1	Improved financial legislation	Mortgage Law	Definition: Unit:	1995	none				law passed	law passed					
		Collateral Law	Definition: Unit:	1995	none			law passed	not passed						
IR 1.4.4.1	Access to credits for micro and small businesses improved	Number of micro & small businesses improved	Number of loans	1996	0	0	0	10	none (tight credit markets)	20		25		30	

RESULT LEVEL (S.O. OR I.R.) AND NO.	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION* AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS									
						1996		1997		1998		1999		2000	
						YEAR	VALUE	Target	Actual	Target	Actual	Target	Actual	Target	Actual
IR 1.4.4.2	Business skills of bankers and borrowers strengthen in micro and small lending	Number of bankers trained per year	number of bankers trained in micro/small lending	1996	0	0	0	10	15	10		10		10	

PART II: PERFORMANCE ASSESSMENT

Table I - Performance Data
Baseline, Targets, and Actual Results

SO 2.1: Increased, Better Informed Citizens' Participation in Community, Political and Economic Decision Making

RESULT LEVEL (S.O. OR I.R.) AND NO.	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION* AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS																
						1996		1997		1998		1999		2000								
						YEAR	VALUE	Target	Actual													
SO 2.1	Increased, Better Informed Citizens' Participation in Community, Political and Economic Decision Making	Citizens make use of mechanisms for participation	Definition:	1994			Survey !!															
			Voter turnout:		75.65	76.3	75	72.0	85		85											
			National elections		52.42	72.0	75	72.5	85		85											
			Local elections																			
			Survey on citizens participation in various community/political activities:		42	40.3	45	38.0	50		55											
			political meetings, signing petitions , work in NGOs/ groups advocating interests, volunteer in election campaign, work with political party, run for elections		40	47.6	50	51.5	53		60											
					36	34.0	40	32.0	45		50											
					18	**	**	25	30		30											
					13	17	20	16.9	23		25											
					11	9.7	13	7.7	15		20											
IR 2.1.1	Increased Acceptance of Democratic (Civic) Values	Teachers trained in democratic instruction methods	Definition: Slovak teachers trained as trainers	1995	24	36	61	72	106	96		120										
			Teachers trained by Slovak trainers			300	600	1300	1042	2350		4000										
			Unit: Number annually																			

RESULT LEVEL (S.O. OR I.R.) AND NO.	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION* AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS									
						1996		1997		1998		1999		2000	
				YEAR	VALUE	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
		Proportion of citizens reporting an understanding of democratic principles	Definition: FOCUS Survey Unit: Percentage	1994	47%	57%	59%	65%	58%	70%		75%			
IR 2.1.2	Increased ability to participate	Membership in political parties, NGOs, trade unions	Definition: Proportion of the population participating in NGOs, trade unions and political parties Unit: Percentage	1994	15 32 8		24.5 27.2 9.3	27 30 13	19.3 21.7 9.1	30 35 20		38 40 25			
		Satisfaction with the job the unions are doing at national level	Definition: Percentage of those who have made union organization in their workplace						36.9%	40%		50%		55%	
		# of requests for consultation and training from political parties							156	200		160			
IR 2.1.2.1	CSOs organizational and managerial capacity strengthened	Number of times activities of grantee NGOs have a measurable impact on formulation of government policy	Definition: Unit: Number	1995	0	10	15	20	25	50		75			
		Political parties create structures to provide training to their members nationwide	Definition: Unit: Party	1995	2	3	3	8	8	10		15			

RESULT LEVEL (S.O. OR I.R.) AND NO.	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION* AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS									
						1996		1997		1998		1999		2000	
				YEAR	VALUE	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
		Communities that demonstrate improved ability to identify problems and create community based solutions in both public and private sectors.	Definition: Public/private partnerships established Unit: Number of communities	1995		10	35	40	45	50		60		75	
IR 2.1.2.2	Legal/regulatory environment maintained/strengthened	Laws encourage formation and operation of CSOs	Definition: - Legal framework for NGOs in place/ Degree of favorability of laws (small, moderate, high): Foundations law Non-investment funds law Non-profit organizations Civil associations - Laws regulating economic conditions of CSOs improved - Tax exemption for CSOs related activities - permissible tax deductions for donations of physical and legal entities increased	1995											
					new draft	enacted/ moderate	enacted/ moderate being drafted	enacted/ moderate	enacted/ moderate						
					in force/ high		being drafted	enacted/ high	enacted/ moderate						
								enacted	in force/ moderate	In force					
IR 2.1.2.2.1	Professional Interests of the Legal Profession Better Defined and Advocated	Association of Slovak Judges adopts judicial code and publishes position papers and statements on policy issues related to the judiciary	Definition: Judicial ethics code adopted by ASJ Number of issues published Unit: Year/number	1995	12	20	23	Ethics Code Adopted 25	Code Not Adopted 19	Ethics Code Adopted 25		25			

RESULT LEVEL (S.O. OR I.R.) AND NO.	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION* AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS									
						1996		1997		1998		1999		2000	
				YEAR	VALUE	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
		Clinical Legal Education Programs established at Law Schools	Definition: Unit: Number	1995	0	0	0	2	1	2		3			
IR 2.1.3	Expanded, More Effective and Independent Media	Plurality of media available and utilized by citizens Proportion of readership of national dailies changed in favor of new independent dailies Private electronic media in place and functional	Definition: Readership of traditional dailies, (Pravda/Praca) compared with SME/Narodna Obroda and Slovenska Republica Proportion of viewers of news programs of the public STV and private TV (Markiza) Proportion of listeners of news programs of public radio and private radio (TWIST) Unit: Percentage	1995											
		Degree of Press Freedom	Definition: Rating based on Freedom House's annual survey Unit: Degree	1994	Partly Free	No Change	Partly Free	No Change	Partly Free	No Change		Free			
IR 2.1.3.1	Fact-based Reporting Skills Increased	National dailies creating editorial sections	Definition: Separation of news and commentaries into clearly identifiable pages/sections Unit: Number	1995	1	2	2	4	6	7		10			

RESULT LEVEL (S.O. OR I.R.) AND NO.	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION* AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS									
						1996		1997		1998		1999		2000	
				YEAR	VALUE	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
IR 2.1.3.2	Financial Viability of Media Increased	The size of the media advertising pie is increased	Definition: Overall spending on advertising in media Unit: Slovak Crown Definition: Proportion of advertising spent on different mediums Unit: Percentage	1995	NA		2,478 Billion TV 56 RADIO 11 PRESS 33	2,718 Billion TV 53 RADIO 13 PRESS 34	3.7 Billion TV 87.4 RADIO 2.7 PRESS 9.9	4.0 Billion TV 85 RADIO 5 PRESS 10		4.5 Billion TV 80 RADIO 8 PRESS 12			
		Independent media increases its share of the total advertising pie (SME daily, Radio TWIST, TV MARKIZA)	Definition: Overall spending for advertisement in independent media Unit: Percentage	1995	SME 1.89% TWIST NA MARKIZA NA		1.76% NA 26.13%		2.61% 3.43% 75.55%	3% 5% 73%		5% 8% 68%			

PART II: PERFORMANCE ASSESSMENT

Table I - Performance Data
Baseline, Targets, and Actual Results

SO 2.3: More Effective, Responsive and Accountable Local Government and Local Institutions

RESULT LEVEL (S.O. OR I.R.) AND NO.	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION* AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS									
						1996		1997		1998		1999		2000	
				YEAR	VALUE	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
SO 2.3	More effective, responsive, accountable local government and local institutions	Citizens of targeted municipalities using enhanced skills and best practices who believe their local government has become more effective and responsive	Definition: Survey asking the question: "How satisfied are you with the services your local government is providing in your community?" Unit: Percent answering "very satisfied" and "rather satisfied"	1996	0	-	0	5%	28%	35%		50%			
IR 2.3.1	Enhanced technical, managerial and governance skills	Municipalities and local institutions with officials using enhanced skills (see text for types of skill training)	Definition: Unit: Number of municipalities	1996	0	-	24	25	226	300		500			
IR 2.3.1.1	In-service training expanded	Local officials trained	Definition: Unit: Number of local officials receiving training	1996	0	-	1,000	1,000	1,463	2000		5000			

RESULT LEVEL (S.O. OR I.R.) AND NO.	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION* AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS									
						1996		1997		1998		1999		2000	
				YEAR	VALUE	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
		Institutionalized capacity to sustain training	Definition: Unit: Number of participant training days/year of sustainable training	1996	0	-	1,289	2600	9,983	10,000		10,000			
IR 2.3.2	Improved administrative, operational and policy systems	Towns employing best practices	Definition: Unit: Percent of targeted towns adopting one or more best practices	1996	0	-	5%	5%	40%	50%		75%			
IR 2.3.2.1	Best practices disseminated	Towns learning about best practices	Definition: Unit: Percent of targeted towns learning about best practices	1996	0	-	90%	90%	95%	90%		90%			
IR 2.3.2.2	Best practices determined	Best practice models developed (see text for candidate list of best practices)	Definition: Unit: Number of best practices developed	1996	0	-	4	4	14	10		10			
IR 2.3.3	Increased local capacity to finance local needs	Towns with improved financing capability	Definition: Unit: Percent of targeted towns adopting one or more best practice	1996	0	-	2%	2%	40%	50%		75%			
IR 2.3.3.1	Best practices disseminated	Towns learning about best practices	Definition: Unit: Percent of targeted towns learning about best practices	1996	0	-	90%	90%	95%	90%		90%			

RESULT LEVEL (S.O. OR I.R.) AND NO.	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION* AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS									
						1996		1997		1998		1999		2000	
				YEAR	VALUE	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
IR 2.3.3.2	Best practices determined (see text for candidate list of types of best practices)	Types of best practices developed	Definition: Unit: Number of best practices developed	1996	0	-	0	2	5	5		5			
IR 2.3.4	Increased decentralization and rationalization of authority and resources	Specific new authorities/revenue sources given to local governments	Definition: Unit: Number of new authorities/revenue sources	1996	0	-	1	1	3	3		4			
IR 2.3.4.1	Advocacy for local government interests improved	Organization of municipalities strengthened to lobby for local government interests	Definition: Unit: Number of issues on which lobbying capability is strengthened	1996	0	-	1	3	9	10		10			

* - THE PROJECT STARTED IN FEBRUARY 1997

PART II: PERFORMANCE ASSESSMENT

Table I - Performance Data
Baseline, Targets, and Actual Results

SO 3.3: Reduced Environmental Risks to Public Health

RESULT LEVEL (S.O. OR I.R.) AND NO.	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION* AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS									
						1996		1997		1998		1999		2000	
				YEAR	VALUE	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
SO 3.3	Reduced Environmental Risks to Public Health	Life expectancy increased *	Definition: M (male), F (female) Unit: years	1993	67.5 (m) 76.2 (f)	69.5 (m) 77.4 (f)	68.4 (m) 76.3 (f)	70.3 (m) 77.8 (f)	68.8 (m) 76.7 (f)	70.9 (m) 78.2 (f)					
IR 3.3.1	Public managers act to reduce environmental impacts on public health	Number of new laws or programs which selectively deal with environmental health risks	Definition: Legislative or programmatic initiatives Unit: Number of new initiatives	1996	none	1	2 drafted	3	3 (1 passed, 1 drafted, 1 submitted)	3		2		1	
		Information requests met (Ministry of Environment)	Definition: Unit: Number per year	1996	none	none	none	none	none	50		100			

RESULT LEVEL (S.O. OR I.R.) AND NO.	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION* AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS									
						1996		1997		1998		1999		2000	
				YEAR	VALUE	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
IR 3.3.1.1.	Increased awareness of environmental health risks	Number of organization managers/opinion leaders aware of environmental risks to public health (this is a revised definition)	Definition: Survey of trainees Unit: cumulative number of organization reps trained	1995	445	500	536	550	727	605		665		725	
IR 3.3.1.2.	Increased knowledge on how to reduce environmental risks	Percentage of selected communities with plans to reduce environmental health risks (G-EHP) (Indicator dropped because plan for community EAP's did not occur and project focus changed).	Definition: Selected communities Unit: Percent	0	1 plan (BB)	20	Indicator dropped	30		50		60		70	
IR 3.3.1.3.	Increased collaboration between key health and environmental decision makers	Number of specialized, interdisciplinary organizations dealing with plans to reduce environmental health risks	Definition: New significant organizations Unit: Number	1993	1	3	PIET drafted	4	2	4		4		4	
IR 3.3.1.3	Increased collaboration between key health and environmental decision makers	Comprehensive occupational health service in place (indicator added 3/98)	Definition: Percent of needed national capacity of occupational health physicians	1997	0	0	0	0	0	15%		100%		100%	

RESULT LEVEL (S.O. OR I.R.) AND NO.	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION* AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS									
						1996		1997		1998		1999		2000	
				YEAR	VALUE	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
IR 3.3.1.4.	More effective mechanisms to provide financial resources introduced	Revolving fund implementation	Definition: Revolving fund Unit: Number	1993	0	0	0	1	1	1		1		1	
IR 3.3.2.	Private sector managers act to reduce environmental impact on public health	Percentage of targeted chemical companies with more than 1,000 employees that have initiated programs to reduce waste	Definition: 10 chemical companies Unit: Cumulative Percent of companies	1993	0	30%	30%	80%	100%	100%		100%		100%	
IR 3.3.2.1.	Financial resources increased to reduce environmental impact on health	Value of investments in selected companies and communities	Definition: Cumulative total Unit: \$US million	1994	0	1	1	2	15.3	16		18		20	
IR 3.3.2.2.	Increased systems and technical capacity of companies to reduce environmental risks	Number of consulting experts in the field	Definition: Unit: Number in ASPEK catalog	1994	60	80	indicator dropped	100		120		120		120	

* data provided by the Slovak Health Statistics Office

** local laws: Banska Bystrica: Program on Remission reduction
Trnava: City Plan: Healthy Cities Program

PART II: PERFORMANCE ASSESSMENT

Table I - Performance Data
Baseline, Targets, and Actual Results

SO 4.x: Cross-Cutting and Special Initiatives

RESULT LEVEL (S.O. OR I.R.) AND NO.	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS									
						1996		1997		1998		1999		2000	
						YEAR	VALUE	Target	Actual	Target	Actual	Target	Actual	Target	Actual
4.0 UNIDO SMEs	Increased capacity to advocate policy change	Reliable system for collecting information	Definition: Unit: Number of surveys specifically undertaken by National Agency	1994	none			system in place	system in place						
		Ability of National Agency staff to analyze the data	Definition: Unit: Number of staff trained to gather and analyze information	1994	0	2	2	2	2						
4.0 AIHA	Enhanced technical, managerial and governance skills	Local health institutions using enhanced skills	Definition: Unit: Percent of institutions	1996	0	0%	15-20%	50%	50%	100%		100%		100%	
4.0	In-service training expanded	Institutional capacity to sustain training in health care management	Definition: Number of accredited health management education programs Unit:	1996	0	0	1	2	2	3		3		3	

RESULT LEVEL (S.O. OR I.R.) AND NO.	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS									
						1996		1997		1998		1999		2000	
				YEAR	VALUE	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
4.0			Definition: Unit: Number of qualified graduates	1996	0	190	318	190	246	190					
4.0	Improve administrative, operational and policy systems	Health care facilities in Eastern Slovakia employing best practices	Definition: Unit: Percent of health care facilities	1996	0	10-15%	25%	50%	50%	100%		100%		100%	
4.0		Average length of hospital stay	Definition: Unit: Days	1995	12.8	11.2	10.4	11.0	10.3	10.8		10.6		10.4	
4.0		Neonatal mortality	Definition: (Per 1000 newborns) Unit:	1994	11.2	11	9.4	10.4	9.3	10.4		10.1		10.1	
4.0		Hospital occupancy rate	Definition: Unit:Percent	1993	73.3%	79.9%	82.6%	83.2%	83%	86.5%		89.8%		89.8%	
4.0	Increased decentralization and rationalization of authority and resources	Local health care delivery budgets coming from private and local sources	Definition: Percentage in pilot communities Unit:	1996	0	N/A*	N/A*	10%	10%	20%		25%		25%	

RESULT LEVEL (S.O. OR I.R.) AND NO.	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS									
						1996		1997		1998		1999		2000	
				YEAR	VALUE	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
4.1 USIA EFL Fellows	Improved Capacity for English Language Teaching	Teachers trained in EFL methods	Definition: Number of in-service teachers trained per school year Unit: number	1994/ 1995	1,050	1,000	1057	1,000		1,000					
4.2 UNIDO PPCs	Identification of potential profit centers	Diagnostic studies for targeted enterprises completed	Definition: Unit: Number of enterprises diagnosed	1995	0	2	0 activity cancelled	3							
		Economic performance for diagnosed enterprises improved	Definition: Unit: Profit in Slovak crowns	1995	?	10% increase	activity cancelled								
4.4 PTPE ECESP	Participant Training Program for Europe and East European Scholarship Program	Participants trained in sectoral areas which support strategic objectives	Definition: Participants trained Unit: Number	1995 PTPE ECESP	43 18	45 27	59 18	45 10	40 10	45					
4.6 CRS Task Force	Increased capacity of the National Council SR as an institution	Parliament staff (Research and Analysis, Library and Automation Office) providing improved services to members of parliament	Legal Information system available to all deputies	1995	No	Yes	Yes	Project Ended							

ANNEX II

FIELD SUPPORT TABLE

GLOBAL FIELD SUPPORT

Objective Name	Field Support: Activity Title & Number	Priority *	Duration	Estimated Funding (\$000)					
				FY 1998 Obligated by:		FY 1999 Obligated by:		FY 2000 Obligated by:	
				Operating Unit	Global Bureau	Operating Unit	Global Bureau	Operating Unit	Global Bureau
SO: 2.3 More Effective Responsive and Accountable Local Government	180-0034 Municipal Management and development contract	High	4 years (1996-99)	1149	-	0	-	0	-
	180-0034 Environment and Urban Program Support Project	High	3 years(1996-98)	451	-	0	-	0	-
	180-0034 Environmental Health Project	High	3 years(1996-98)	100	-				
GRAND TOTAL.....				1700					

* For Priorities use high, medium-high, medium, medium-low, low