

**AGENCY FOR INTERNATIONAL
DEVELOPMENT**

USAID/CAUCASUS - AZERBAIJAN

RESULTS REVIEW

AND

RESOURCE REQUEST

FY 2002

Date Prepared: March 5, 2000

USAID/CAUSASUS AZERBAIJAN

Results Review and
Resource Request (R4)

FY 2002

Please Note:

The attached FY 2002 Results Review and Resource Request (“R4”) was assembled and analyzed by the country or USAID operating unit identified on this cover page.

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

Related document information can be obtained from:

USAID Development Experience Clearinghouse

1611 N. Kent Street, Suite 200

Arlington, VA 22209-2111

Telephone: 703/351-4006 Ext. 106

Fax: 703/351-4039

Email: docorder@dec.cdie.org

Internet: <http://www.dec.org>

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USAID/Caucasus – Azerbaijan
R4 – FY 2002
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List Of Acronyms

ABA	-- American bar Association
ACDI/VOCA	-- Agricultural Cooperative Development, Inc./Volunteers in Overseas Cooperative Assistance
ACI	-- Azerbaijan Civic Initiative Group
ADRA	-- Adventist Development and Relief Agency
AED	-- Academy for Educational Development
AHAP	-- Azerbaijan Humanitarian Assistance Program
CAD	-- Children Aid Direct
CAR	-- Central Asian Republics
CARE	-- Cooperative Assistance and Relief Everywhere
CDC	-- Citizens Democracy Corps
CDC Atlanta	-- Centers for Disease Control
CEC	-- Central Electoral Commission
ECHO	-- European Community Humanitarian Organization
EPI	-- Expanded Program of Immunization
EU-TACIS	-- European Union – Technical Assistance for the Confederation of Independent States
EXCOM	-- Executive Committee
FINCA	-- Foundation for International Community Assistance
FSA	-- Freedom Support Act
GOAJ	-- Government of Azerbaijan
GTZ	-- German Technical Assistance Agency
IDP	-- Internally Displaced Person/People
IFC	-- International Finance Corporation
IFES	-- International Foundation for Election Systems
IFRC	-- International Federation of Red Cross and Red Crescent Societies
IMCI	-- Integrated Management of Childhood Illnesses
IRC	-- International Rescue Committee
IRI	-- International Republican Institute
ISAR	-- Institute for Social Action and Renewal
MCI	-- Mercy Corps International
NDI	-- National Democratic Institute
NGO	-- Non-Governmental Organization
NIS	-- New Independent States
NK	-- Nagorno-Karabakh
OPWR	-- Organization for the Protection of Women's Rights
OSCE	-- Organization for Security and Cooperation in Europe
PMPP	-- Participatory Micro-Project Program
PVO	-- Private Voluntary Organization
RFA	-- Request for Applications
SCF	-- Save the Children Federation
SFDIDP	-- Social Fund for the Development of IDPs
SME	-- Small and Medium Enterprise(s)

TEC	-- Territorial Electoral Commission
UMCOR	-- United Methodist Committee on Relief
UNDP	-- United Nations Development Program
UNHCR	-- United Nations High Commissioner for Refugees
UNICEF	-- United Nations Children's Fund
USDA	-- United States Department of Agriculture
USG	-- United States Government
WFP	-- World Food Program
WVI	-- World Vision International

Cover Memorandum

A stable and prosperous Azerbaijan is essential to U.S. Government (USG) foreign policy goals in both the Central Asian Republics (CAR) and Georgia. Azerbaijan is the keystone in the East-West corridor. Its existence as a politically and socially stable, prosperous and westward-looking country facilitates the flow of ideas and commerce from Europe and the Black Sea to the CAR and beyond. Any inability to easily access the West through Azerbaijan will force the CAR to strengthen their political and commercial ties with the surrounding countries of Russia and Iran. Azerbaijan's stability and prosperity are also critical to the security and success of its Southern Caucasus neighbors. With an increasingly dissatisfied population, the Government of Georgia must look for ways to create jobs and increase incomes. Revenues generated by the flow of petroleum products and other commerce with Azerbaijan are critical to the economy of Georgia. An Azerbaijan politically subordinate to one of the less Western-oriented regional powers would threaten the political independence of Armenia.

The U.S. Embassy and USAID/Caucasus look forward to the budget level of \$44 million in FY 2001 and beyond for Azerbaijan. Funding at this level more accurately reflects Azerbaijan's importance to U.S. foreign policy interests and will go a long way toward enhancing USAID's ability to have a positive impact on the course of Azerbaijan's development. Funding at this level will make it possible for the USG to respond to Azerbaijan's continuing, albeit lessening, need for humanitarian assistance while also helping the country to deal with economic, social, democratization, private sector development, banking and corruption issues, among others. To assure maximum results from the increased funding, USAID is preparing and will present to USAID/Washington in May 2000, a Strategic Plan which will cover the issues and needs mentioned above in greater detail. This plan proposes a transition of USAID's program over the next three years from a primarily humanitarian assistance program to a primarily development focussed program. The plan will discuss at length the possibilities for a USAID program both with and without Section 907 of the Freedom Support Act (FSA).

USAID/Caucasus and the U.S. Embassy in Baku continue to believe that Section 907 represents a serious obstacle to the development of U.S.-Azerbaijan relations and a serious constraint on the long-term impact of USAID efforts. Section 907, which has been opposed by the current and previous Administrations, continues to greatly constrain the USG in providing critical assistance to Azerbaijan and in promoting regional harmony and stability. In addition, Section 907, which is widely known and strongly resented by Azerbaijanis at all levels, undermines the gains of the current successful USG program by creating unnecessary tension between the people of the U.S. and Azerbaijan. This tension adversely affects U.S. political, economic and commercial interests. USAID and the Embassy urge USAID/Washington and the Department of State to do everything possible to convince Congress to repeal Section 907 or, at a minimum, substantially increase USAID's ability to assist national-level government organizations in making and carrying out important reforms.

With relief from Section 907, the USG would be able to work directly with the full range of government officials to help bring about critical reforms while still continuing its important and

successful targeted programs working through Private Voluntary Organizations (PVOs), international organizations and indigenous Non-Governmental Organizations (NGOs). Relief from Section 907 could contribute to substantial gains in the development of Azerbaijan, the stability of the region, and the attainment of overall USG foreign policy interests in Azerbaijan and in the region. The U.S. Embassy in Baku and USAID/Caucasus believe that a compelling case can be made to the U.S. Congress on the potential benefits in repealing Section 907.

USAID/Caucasus and the U.S. Embassy remain hopeful that a peace agreement will be reached between Azerbaijan and Armenia over the Nagorno-Karabakh conflict. The Mission has prepared a "What if?" paper to help guide preliminary USG thinking should a sizeable expansion of the U.S. assistance program be considered when a peace agreement is reached.

USAID/Caucasus would like to take this opportunity to call USAID/Washington's attention to the administrative issues that arise from the proposed doubling of the funding level for Azerbaijan between FY 200 and FY 2001. As discussed in the Operating Expense (OE) Narrative of the R4, the very small office in Baku will have to be expanded to manage increased program activities arising from the increased program budget levels. Even at current budget levels, with currently approved staffing levels, USAID's space within the U.S. Embassy building is wholly inadequate. Discussions are in process between USAID and the Embassy regarding a solution to the problem. If it is not possible for the Embassy to accommodate USAID's growing staff inside the Chancery, alternative quarters will have to be found. Either way, USAID will have to make an additional investment in office space most probably in FY 2000. The OE budget reflects this need based on an assumption that office space outside the Embassy will have to be leased and renovated.

The U.S. Ambassador and his staff are in complete agreement with the substance of this R4. The USAID program is fully integrated into the Mission's Performance Plan. USAID and the Embassy stand ready to work with USAID/W and the Department of State in articulating the case for repealing Section 907.

R4 Part I: Overview/Factors Affecting Program Performance

R4 Part I: Overview and Factors Affecting Program Performance

Summary

USAID's program in Azerbaijan is organized around three objectives: 1) accelerating the growth and development of small and medium size private enterprises (SMEs); 2) promoting a better organized and represented civil society; and 3) reducing human suffering in conflict-affected areas. Despite both USAID specific and Azerbaijan-specific constraints, successful activities were carried out in all three areas during FY 1999. The anticipated removal of two key internal constraints – lack of an approved strategy and insufficient financial resources – will permit a significant expansion of the program. USAID will be able to focus more resources on Azerbaijan-specific constraints to development such as the slow pace of economic transformation and the slow transition to a more democratic and transparent political system. It also will permit a programmatic shift from providing short-term relief for conflict-affected people, to fostering self-sustaining, community-based solutions to meeting the needs of these people. The continuation of Section 907 of the FSA, however, limits how much USAID can achieve even with increased resources

U.S. National Interests

A stable and prosperous Azerbaijan is essential to USG foreign policy goals in both the Central Asian Republics (CAR) and the Caucasus. Azerbaijan is a critical link in the East-West corridor and a vital link in the Trans-Caspian energy export system. Its existence as a politically and socially stable, prosperous and westward-looking country facilitates the flow of ideas and commerce from Europe and the Black Sea to the CAR and beyond. Any inability to easily access the West through Azerbaijan will force the CAR to strengthen their political and commercial ties with the surrounding countries of Russia and Iran. Azerbaijan's stability and prosperity are also critical to the security and success of its Southern Caucasus neighbors. With an increasingly dissatisfied population, the Government of Georgia must look for ways to create jobs and increase incomes. Revenues generated by the flow of petroleum products and other commerce with Azerbaijan are critical to the economy of Georgia. In spite of the current enmity between the two countries, an Azerbaijan politically subordinate to one of the less Western-oriented regional powers would threaten the political independence of Armenia. By seeking to promote economic development, democratization and a lessening of human suffering, the USAID program promotes Azerbaijan's stability and prosperity, and ultimately reduces the potential sources of conflict.

Factors Affecting Program Performance

Three factors have limited the impact of USAID's program in Azerbaijan: 1) FSA Section 907 which constrains USAID's ability to work with the Government of Azerbaijan (GOAJ); 2) insufficient financial resources; and 3) lack of an approved strategy. In FY 2000,

USAID/Caucasus will present a three-year Strategic Plan to USAID/Washington for review and approval. The lack of financial resources will be alleviated beginning in FY 2001 if the \$44 million planning level is achieved. Unfortunately, prospects for the removal of the constraints imposed by Section 907 are not bright given the current state of peace negotiations between Azerbaijan and Armenia. In prohibiting many forms of support to the GOAJ, Section 907 seriously limits the impact of USAID's program. The most fundamental constraints to stability and development in Azerbaijan stem from unreformed government policies, laws and regulations and unreformed government organizations. As USAID has shown in other countries, it is possible to bring about changes in the legal and regulatory environment and in critical elements of the government's bureaucracy by supporting reform-minded people with training and technical assistance. While some of USAID's programs will produce sustainable results, others may not because USAID is unable to work with the GOAJ to create an enabling and supportive environment.

Azerbaijan's economy is polarized by two discrete sectors of influence. The urban sector, dominated by the oil industry, government, and a few big businesses, provides economic opportunities and comfortable incomes to a relatively few individuals. The rural sector, dominated by small and medium agribusiness and non-urban focused services and industries, provides limited economic opportunities and contains the major share of the country's work force. There is a wide disparity of wealth between these two sectors with the urban sector clearly in command. Much of the population, including refugees, Internally Displaced Persons (IDPs), pensioners, unemployed and underemployed and the handicapped, is vulnerable and, at best, participates minimally in the economy. In 1998, the last year for which figures are available, the per capita GNP was estimated to be about \$537.00, and an estimated 60 percent of households fell below the poverty level.

Azerbaijan's transition to an open market economy has been hampered by inadequate economic policy reform and economic restructuring, insufficient privatization and private sector development, rampant corruption and the absence of an enabling legal and regulatory environment. The GOAJ had counted on a financial windfall from the development of offshore reserves in the Caspian. However, it is increasingly clear that there will be no near-term financial relief for the GOAJ from the hydrocarbon sector. Nonetheless, the country has achieved a degree of macroeconomic stability and growth and a nascent micro- and small business sector is taking root.

Azerbaijan's efforts in establishing a democratic form of government have also been problematic. The current regime is authoritarian, discouraging dissent and limiting freedom of expression and the media. Controversy relating to possible deficiencies in the electoral process surrounded the municipal elections, which were held in December 1999. This controversy continues as parliamentary elections, currently scheduled for November 2000, approach. Substantial donor support will be needed to help ensure that the upcoming elections are free, fair and open. On the positive side, the strong support of western countries and international institutions has helped to establish a growing NGO community, laying the foundation for public advocacy and political reform.

Assessment of Program Performance

In the absence of an approved Strategic Plan, USAID has not formally tracked and reported on performance indicators in past R4s. This year, in anticipation of the new Strategic Plan, USAID is providing some provisional indicator tables to initiate the process of formally tracking program progress. A complete set of performance indicators will be established for the USAID program as part of the strategic planning process. Many of the indicators included in this R4 will appear in the same or a refined form in subsequent R4s.

USAID's efforts in Azerbaijan are largely focused on an emergency assistance program that addresses critical needs of IDPs and refugees generated by the Nagorno-Karabakh hostilities. In FY 1999, USAID-supported activities contributed significantly to the improvement of the quality of life of IDPs and other citizens living in affected areas. Health services were provided to over 448,000 persons, and 175,000 persons received supplemental food. The living conditions of 4,993 families were improved. In an effort to help affected populations become more self-reliant: a total of 11,371 clients received business training; 4,787 clients received loans and grants; and 8,189 jobs were created. Micro-projects for potable water, irrigation, sanitation, health, education, micro-credit, and building rehabilitation were implemented in 56 communities, benefiting 35,325 individuals (71% women). The communities contributed more than 30% of the total cost of these projects. UNICEF used USAID funds to implement immunization and health education programs. Independent UNICEF surveys indicate that 80 percent of Azerbaijan's children are fully immunized. Through UNHCR, USAID assisted 1,811 families with new and reconstructed housing.

Modest gains were made in developing a more active private sector by supporting SMEs. Twenty-five small business loans valued at \$1.1 million and 629 micro loans valued at over \$582,000 were disbursed. ACDI/VOCA created an indigenous advisory and training NGO, which is successfully carrying on some of the activities initiated by the ACDI/VOCA project. ACDI/VOCA assisted 225 private enterprises and 958 individuals involved in agribusiness.

Limited progress was achieved in democracy and governance. Two hundred issues-based advocacy groups are organized and active. In conjunction with the December 1999 municipal election, USAID funded the creation of an election press center, which was used by several major newspapers and all non-governmental TV stations. A mass media law, drafted with U.S. assistance, was enacted on December 7, 1999. USAID-supported private lawyers and judges helped to prepare the Law on Advocates, the Civil Procedure Code and the Criminal Procedure Code. A seven-member Azerbaijan team working on the Criminal Procedure Code received training in the U.S. The Criminal Procedure Code was enacted in late 1999.

Prospects for Progress

The planned increase in USAID's annual budget to \$44 million in FY 2001 and beyond will allow USAID to modify substantially the substance of its program to more effectively respond to the growing needs of Azerbaijan. The Strategic Plan will guide a reorientation of the USAID program in Azerbaijan over the next three years to a transition program with increased civic participation, while still addressing the country's critical humanitarian needs. Azerbaijan needs

substantial help to address economic, social, political, legal, private sector, agriculture and other reforms. Attention needs to be given to job creation, to increasing family incomes, to creating an enabling environment for reform, and to reducing the level of corruption. USAID has considerable relevant experience from around the world that could help Azerbaijan address these concerns.

R4 Part II Results Review by SO

SO 1.3 – Accelerated Development and Growth of Private Enterprise

Country/Organization: USAID/Causasus - Azerbaijan

Objective ID: 112-013-01

Objective Name: SO 3.1 -- Accelerated Development and Growth of Private Enterprises

Self Assessment: On Track

Self Assessment Narrative: USAID's program and goals in this area are modest and the environment for private sector development in Azerbaijan is difficult. USAID's partners are encountering tax and banking license problems that are interfering with program implementation. With assistance from the U.S. Embassy, USAID is trying to help its partners resolve these issues. Considering these circumstances, program achievements are significant and, we believe, overall, the SO is on track.

Primary Link to Strategic Agency Framework: 1.1 Private Markets
(please select only one)

Secondary Link to Strategic Agency Framework:
(select as many as you require)

- | | |
|---|--|
| <input type="checkbox"/> 1.1 Private Markets | <input checked="" type="checkbox"/> 1.2 Ag Development/Food Security |
| <input checked="" type="checkbox"/> 1.3 Economic Opportunity for Poor | <input type="checkbox"/> 2.1 Rule of Law/Human Rights |
| <input type="checkbox"/> 2.2 Credible Political Processes | <input type="checkbox"/> 2.3 Politically Active Civil Society |
| <input type="checkbox"/> 2.4 Accountable Gov't Institutions | <input type="checkbox"/> 3.1 Access to Ed/Girl's Education |
| <input type="checkbox"/> 3.2 Higher Ed/Sustainable Development | <input type="checkbox"/> 4.1 Unintended Pregnancies Reduced |
| <input type="checkbox"/> 4.2 Infant/Child Health/Nutrition | <input type="checkbox"/> 4.3 Child Birth Mortality Reduced |
| <input type="checkbox"/> 4.4 HIV/AIDS | <input type="checkbox"/> 4.5 Infectious Diseases Reduced |
| <input type="checkbox"/> 5.1 Global Climate Change | <input type="checkbox"/> 5.2 Biological Diversity |
| <input type="checkbox"/> 5.3 Sustainable Urbanization/Pollution | <input type="checkbox"/> 5.4 Environmentally Sound Energy |
| <input type="checkbox"/> 5.5 Natural Resource Management | <input checked="" type="checkbox"/> 6.1 Impact of Crises Reduced |
| <input type="checkbox"/> 6.2 Urgent Needs in Time of Crisis Met | <input type="checkbox"/> 6.3 Security/Basic Institutions Reestablished |
| <input type="checkbox"/> 7.1 Responsive Assist Mechanisms Developed | <input type="checkbox"/> 7.2 Program Effectiveness Improved |
| <input type="checkbox"/> 7.3 Commit Sustainable Development Assured | <input type="checkbox"/> 7.4 Technical/Managerial Capacity Expand |

Link to U.S. National Interests: National Security

Primary Link to MPP Goals: Economic Development

Secondary Link to MPP Goals (optional): Global Growth and Stability

Summary of the SO:

With a high rate of unemployment as a backdrop, the emerging private sector in Azerbaijan provides a significant potential for employment and income generation for a large number of vulnerable people. USAID support in this area has five main goals: (1) create permanent, sustainable capacity within local financial institutions to lend and invest in SMEs; (2) provide financing to SMEs; (3) create an effective infrastructure for SME financing; (4) mobilize complementary funding for investment in SMEs from local and international sources; and (5) provide training assistance to private entrepreneurs in areas such as marketing, business planning, financial systems, and management.

Key Results:

The USAID-funded Shorebank and FINCA projects have made good progress toward achieving these goals despite difficult environment. In FY 1999, USAID initiated a third economic and enterprise development project implemented by the Citizens Democracy Corps (CDC), which is bringing important legal and political expertise to the sector.

In FY 1999, three Azeri private banks received technical assistance and intensive training from Shorebank aimed at strengthening small business lending capacity. Twenty-five small business loans valued at \$1.1 million were disbursed under Shorebank's program and 629 loans valued at over \$582,000 were disbursed by FINCA. Although the CDC just started its program in Azerbaijan, it is already achieving meaningful results. On January 25-27, 2000, CDC conducted its first "Train the Supplier" session which was attended by 150 representatives of private businesses. The participants and observers commended CDC for the quality and relevance of the course.

ACDI/VOCA just completed its USAID-funded Support for Private Agro-Enterprise Development (SPAED) project. One of the major outputs was creation of Agro-Meslehet, a local advisory and training NGO, which is successfully carrying on some of the activities initiated by the ACDI/VOCA project. In addition, ACDI/VOCA assisted 225 private enterprises and 958 individuals involved in agribusiness, and it helped 34 private firms conduct important educational demonstration programs.

Performance and Prospects:

Although some progress has been made in the area of assistance to private businesses, in FY 1999 the program confronted serious difficulties that precipitated a sharp decline in lending in the last six months of the year, especially for those involved in credit activities. These factors included government inaction or unfavorable action, and economic turbulence. While total disbursements by Shorebank for the year exceeded \$1.1 million, compared to \$576,822 in the preceding year, commitments fell abruptly in the last two quarters with only \$57,000 disbursed. This output weakened largely because local bank partners saw their portfolios eroded by the recent economic downturn, and, as a result, they were reluctant to make further disbursements. Furthermore, the International Finance Corporation, which provides the capital for loans under this program, indicated that it would not provide a second tranche of loan capital due to the

banks' weak financial positions, further reducing the banks' willingness to seek out new borrowers.

Harassment by Azeri tax authorities prompted USAID to suspend of the FINCA program by USAID in late June, halting what had been FINCA's hallmark program in Azerbaijan. In addition, FINCA's efforts at obtaining a limited banking license (lending only) did not meet with success until the first quarter of CY 2000. In the first three-quarters of FY 1999, a total of \$546,339 was disbursed to 2,543 new clients. As the hold on operations continued through the end of the fiscal year, the negative impact was apparent – problem assets increased to 60 percent of the portfolio, as some customers saw no incentive to repay loans, while the numbers of active clients fell by over three-quarters.

Prospects for the SME lending program are improving. By the end of the 4th quarter of FY 1999 it appeared that some partner banks were prepared to step up lending operations. In addition, Shorebank is preparing to initiate a Developing Enterprise Loan Program (DELP) independent of the local banks. The DELP meets small business demand for loans larger than those offered by FINCA (up to \$1,000) and smaller than standard SME loans (\$10,000 and up). The DELP has proven to be an important adjunct to standard Shorebank lending in Georgia, and is expected to be similarly successful in Azerbaijan.

USAID is optimistic that the proposed USG-GOAJ bilateral agreement, which is currently under review by both governments, will help resolve the taxation, credit and licensing issues encountered by Shorebank and FINCA. These issues can adversely affect other potential programs in the area of financial services. For instance, USAID and ACDI/VOCA are monitoring the situation closely since ACDI/VOCA is finalizing a \$5.3 million rural credit proposal for private agribusiness in Azerbaijan. Although agriculture provides 22.6 percent of the total employment in the country, little rural credit is available from the GOAJ and the existing private banking sector.

USAID is also planning to provide funding for a Land O'Lakes unsolicited proposal on a Participatory Agribusiness Development project. The project will provide training, technical assistance, and improved management techniques to aggressively address constraints that are hindering the development of the food industry in Azerbaijan.

Possible Adjustments to Plans:

Possible Adjustments to Plan: USAID is addressing a limited number of significant constraints in the area of economic restructuring, such as financial support and training for SMEs, newly-privatized and newly-created businesses. USAID will substantially increase support to activities under this SO when more funding is made available. This additionality will allow the Mission to increase its leverage in coordinating with other donors in resolving credit, licensing and taxation issues. Additional relief from Section 907 also would allow USAID to work directly with the GOAJ on these issues.

Other Donor Programs:

The World Bank has identified agriculture as a priority sector, and has been working with the GOAJ to encourage accessible credit for rural and agribusiness enterprises. The Bank may be a possible source for future funding channeled to newly established rural credit unions. The Bank

and USAID coordinate on activities promoting financial and credit reform for private sector growth and development. The European Union is working in the area of banking and auditing, and it recently established a permanent banking school in Azerbaijan.

Major Contractors and Grantees:

USAID-sponsored programs are implemented through Shorebank, FINCA, CDC, and ACDI/VOCA.

Performance Data Table

Objective Name: Accelerated Development and Growth of Private Enterprise			
Objective ID: 112-013-01			
Approved: No (Strategy Review Scheduled June 00)		Country/Organization: Azerbaijan, USAID/Caucasus	
Result Name: Increased Access to Production Inputs			
Indicator: Tons of Fertilizer			
Unit of Measure: Tons	Year	Planned	Actual
Source: ACDI/VOCA	1999	NA	3
Indicator/Description: Sales Volume of Fertilizer	(Baseline)		
	2000	5	
	2001	7	
	2002	10	
Comments: This indicator is proposed as part of the draft Azerbaijan Strategic Plan and will be further developed upon approval of the Plan.			

Performance Data Table

Objective Name: Accelerated Development and Growth of Private Enterprise			
Objective ID: 112-013-01			
Approved: No (Strategy Review Scheduled June 00)		Country/Organization: Azerbaijan, USAID/Caucasus	
Result Name: Improved Enterprise Business, Marketing and Technical Skills			
Indicator: Number of Enterprises that Apply Training Skills			
Unit of Measure: Number of Enterprises	Year	Planned	Actual
Source: ACDI/VOCA, CDC, Eurasia Foundation	1999	NA	180
Indicator/Description: Sales Volume of Fertilizer	(Baseline)		
	2000	355	
	2001	TBD	
	2002	TBD	
Comments: This indicator is proposed as part of the draft Azerbaijan Strategic Plan and will be further developed upon approval of the Plan.			

Performance Data Table

Objective Name: Accelerated Development and Growth of Private Sector			
Objective ID: 112-013-01			
Approved: No (Strategy Review Scheduled June 00)		Country/Organization: Azerbaijan, USAID/Caucasus	
Result Name: Increased Access to Credit			
Indicator: Total Value of Loans per year (\$000)			
Unit of Measure: Dollars per year	Year	Planned	Actual
Source: ACDI/VVOCA, Finca, Shorebank	1999 (Baseline)	NA	1,682
Indicator/Description: Total Value of Loans to SMEs	2000	2,000	
	2001	2,000	
	2002	2,000	
Comments: This indicator is proposed as part of the draft Azerbaijan Strategic Plan and will be further developed upon approval of the Plan.			

SO 2.1 – Civil Society Better Organized and Represented

Country/Organization: USAID/Caucasus - Azerbaijan

Objective ID: 112-021-01

Objective Name: Civil Society Better Organized and Represented

Self Assessment: On Track

Self Assessment Narrative: While USAID's program is on track, accomplishments are modest relative to the enormous challenges in this sector.

Primary Link to Strategic Agency Framework: 2.3 Politically Active Civil Society
(please select only one)

Secondary Link to Strategic Agency Framework:
(select as many as you require)

- | | |
|--|--|
| <input type="checkbox"/> 1.1 Private Markets | <input type="checkbox"/> 1.2 Agricultural Development/Food Security |
| <input type="checkbox"/> 1.3 Economic Opportunity for Poor | <input checked="" type="checkbox"/> 2.1 Rule of Law/Human Rights |
| <input checked="" type="checkbox"/> 2.2 Credible Political Processes | <input type="checkbox"/> 2.3 Politically Active Civil Society |
| <input checked="" type="checkbox"/> 2.4 Accountable Gov't Institutions | <input type="checkbox"/> 3.1 Access to Education/Girl's Education |
| <input type="checkbox"/> 3.2 Higher Education/Sustainable Development | <input type="checkbox"/> 4.1 Unintended Pregnancies Reduced |
| <input type="checkbox"/> 4.2 Infant/Child Health/Nutrition | <input type="checkbox"/> 4.3 Child Birth Mortality Reduced |
| <input type="checkbox"/> 4.4 HIV/AIDS | <input type="checkbox"/> 4.5 Infectious Diseases Reduced |
| <input type="checkbox"/> 5.1 Global Climate Change | <input type="checkbox"/> 5.2 Biological Diversity |
| <input type="checkbox"/> 5.3 Sustainable Urbanization/Pollution | <input type="checkbox"/> 5.4 Environmentally Sound Energy |
| <input type="checkbox"/> 5.5 Natural Resource Management | <input type="checkbox"/> 6.1 Impact of Crises Reduced |
| <input type="checkbox"/> 6.2 Urgent Needs in Time of Crisis Met | <input type="checkbox"/> 6.3 Security/Basic Institutions Reestablished |
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| <input type="checkbox"/> 7.3 Commit Sustainable Development Assured | <input type="checkbox"/> 7.4 Technical/Managerial Capacity Expand |

Link to U.S. National Interests: National Security

Primary Link to MPP Goals: Democracy and Human Rights

Secondary Link to MPP Goals (optional): Global Growth and Stability

Summary of the SO:

Domestic instability and the consolidation of power by President Aliyev's authoritarian regime slowed Azerbaijan's initial post-independence progress toward democratic governance. The conflict in Nagorno-Karabakh further impeded the development of democratic and legal reforms. Although officially freed of censorship before the 1998 presidential elections, the press performs

self-imposed censorship as it continues to receive direct and indirect pressure from the powerful executive branch. For example, the Government closed four independent TV stations recently. The judiciary, which claims to be independent, is subject to political influence and takes direction from the prosecutors.

Through its implementing partners, USAID supports the process of democratization in Azerbaijan by working with certain elements in the GOAJ – political parties, the independent media and indigenous NGOs. USAID-funded activities provide support to improve the election process and strengthen NGOs. USAID is assisting with the parliamentary elections to be held later this year, as it did with the presidential election in 1998 and the municipal elections in 1999.

Key Results:

In FY 1999, USAID-funded activities carried out by IFES and Internews provided support to improve the election process and strengthen NGOs and independent journalists. An election press center was created and several major newspapers and all non-governmental TV stations covering the elections used information provided by the center. An Internews lawyer participated actively in the working group drafting a new law on mass media, and several of his suggestions were adopted during discussions in the Parliament. The mass media law was adopted by the Parliament and signed by the President on December 7, 1999. Assistance also has been provided to help develop a more professional judiciary. ABA-CEELI trained private lawyers and judges, and provided technical assistance and reference materials to groups working on the Law on Advocates, the Civil Procedure Code and the Criminal Procedure Code. A seven-member Azerbaijan team working on the Criminal Procedure Code received training in the U.S. The Criminal Procedure Code was adopted by the Parliament and signed recently by the President.

Performance and Prospects:

Performance in this sector has met USAID's modest expectations. Democracy and governance activities in FY 1999 included assistance to the Central Election Commission and political parties for the municipal elections. Local NGOs were assisted to increase their operating flexibility and their freedom of expression, to broaden their base of support, and to increase their capacity to influence the country's political evolution. There are approximately 200 active local NGOs, and, although the majority of the population in Azerbaijan is unfamiliar with their activities, there are signs of growing awareness and interest. A significant part of this change is due to a USAID-funded project being implemented by the Initiative for Social Action and Renewal (ISAR). This PVO provides grants to environmental and social-sector NGOs. ISAR also is providing training assistance in the area of NGO strengthening. Both ISAR staff and NGO members have provided comments on a draft NGO Law, which recently was sent to the Parliament for consideration and passage. While the proposed law is far from perfect, it is an important step in trying to create an enabling environment for NGOs.

With USAID assistance, Internews provided training to independent television and radio reporters in such areas as news reporting, TV management, TV production, and equipment loans. In FY 1999, Internews received \$200,000 for its Azerbaijan Media and Elections project, which it used to improve and expand the quantity and quality of municipal election coverage by non-governmental media in Azerbaijan through a combination of on-site training, educational

programming and technical assistance. The election press center was created as another component of the project, and several major newspapers and all non-governmental TV stations covering the elections used information provided by the center. The project was carried out in cooperation with the International Foundation for Elections Systems (IFES) and the local TV station. Unfortunately, the GOAJ recently closed four independent TV stations.

Internews also assisted local media in FY 1999 in drafting the new law on mass media. An Internews lawyer participated actively in the working group drafting the law, and several of his suggestions were adopted during discussions in the Parliament. The mass media law was adopted by the Parliament and signed by the President on December 7, 1999. It remains to be seen whether the new law will provide relief to the closed stations.

USAID's support for elections has been channeled through IFES, the National Democratic Institute (NDI) and the International Republican Institute (IRI). This support included professional advice on the law for the municipal elections in December 1999, and assistance in the area of political party development and election campaign planning. USAID's partners organized training sessions and seminars to assist the Government of Azerbaijan, political parties and NGOs. As noted previously, there has been controversy regarding possible major deficiencies in the conduct of the election which raise doubts about how free and fair they were.

Rule-of-law initiatives are in an incipient stage, partly due to the lack of political will for meaningful reform. ABA-CEELI established its office in Azerbaijan in May 1999 with a strategy focussed on enhancing legal professionalism and judicial independence. Since then, ABA-CEELI has been active in training private lawyers and judges, in providing technical assistance and reference materials on different matters and to groups working on the Law on Advocates, the Civil Procedure Code and the Criminal Procedure Code. The Civil Procedure and Criminal Procedures Codes will enter into force on June 1, 2000. ABA-CEELI has also conducted workshops for law students on various governance and democracy topics. The seven-member Azerbaijan team working on the Criminal Procedure Code received training in the U.S. in November 1999. The Criminal Procedure Code was adopted by the Parliament and signed recently by the President. Notwithstanding the technical assistance provided by USAID partners in the drafting of laws, the results are not always completely positive, as legislation sometimes retains Soviet-era features.

Possible Adjustments to Plans:

With increased funding, USAID plans to broaden its activities under this SO. A Rule-of-Law/Commercial Law assessment is being planned for June 2000. It is expected that with the assessment results in hand, USAID and its implementing partners will be able to assist the Government and the private sector in creating a more favorable environment for democratic and economic reforms in Azerbaijan.

Other Donor Programs:

Complementary efforts to promote steps towards democratic progress are being closely coordinated with the UN, OSCE, World Bank and EU. The World Bank is undertaking a judicial qualification project which will make the process of selecting judges more transparent and objective while raising their qualifications. EU-TACIS and UNDP are supporting projects

related to the drafting of various pieces of legislation. GTZ provided technical assistance for drafting the Civil Code, and the Council of Europe helped establish working groups of Azeri attorneys to prepare the Civil Code, Civil Procedure Code, Criminal Code, Criminal Procedure Code and other major laws.

Major Contractors and Grantees:

USAID-sponsored activities are implemented by PVOs such as Internews, NDI, IRI, IFES, ABA-CEELI, and the Eurasia Foundation.

Performance Data Table

Objective Name: Civil Society Better Organized and Represented			
Objective ID: 112-021-01			
Approved: No (Strategy Review Scheduled June 00)		Country/Organization: Azerbaijan, USAID/Caucasus	
Result Name: Issues-based Formal and Informal Associations/Advocacy Groups Organized and Active			
Indicator: Number of Organizations			
Unit of Measure: Number	Year	Planned	Actual
Source: Eurasia Foundation/ISAR	1999	NA	200
Indicator/Description: Number of registered and unregistered organizations organized for the purpose of advocacy.	(Baseline)		
	2000	220	
	2001	250	
	2002	TBD	
Comments: This indicator is proposed as part of the draft Azerbaijan Strategic Plan and will be further developed upon approval of the Plan.			

SO 3.1 – Human Suffering and Crisis Impact Reduced

Country/Organization: USAID/Caucasus - Azerbaijan

Objective ID: 112-031-01

Objective Name: Human Suffering and Crisis Impact Reduced

Self Assessment: On Track

Self Assessment Narrative: USAID's program has been effective in reaching Azerbaijanis affected by the Nagorno-Karabakh conflict to the extent that resources permitted. It is now time for the USG to put more emphasis on economic development activities while slowly reducing humanitarian assistance, in order to provide IDPs, refugees and other conflict-affected groups the opportunity for sustainable growth.

Primary Link to Strategic Agency Framework:

(please select only one)

6.1 Impact of Crises Reduced

Secondary Link to Strategic Agency Framework:

(select as many as you require)

- | | |
|--|--|
| <input type="checkbox"/> 1.1 Private Markets | <input type="checkbox"/> 1.2 Ag Development/Food Security |
| <input type="checkbox"/> 1.3 Economic Opportunity for Poor | <input type="checkbox"/> 2.1 Rule of Law/Human Rights |
| <input type="checkbox"/> 2.2 Credible Political Processes | <input type="checkbox"/> 2.3 Politically Active Civil Society |
| <input type="checkbox"/> 2.4 Accountable Gov't Institutions | <input type="checkbox"/> 3.1 Access to Ed/Girl's Education |
| <input type="checkbox"/> 3.2 Higher Ed/Sustainable Development | <input type="checkbox"/> 4.1 Unintended Pregnancies Reduced |
| <input checked="" type="checkbox"/> 4.2 Infant/Child Health/Nutrition | <input checked="" type="checkbox"/> 4.3 Child Birth Mortality Reduced |
| <input type="checkbox"/> 4.4 HIV/AIDS | <input type="checkbox"/> 4.5 Infectious Diseases Reduced |
| <input type="checkbox"/> 5.1 Global Climate Change | <input type="checkbox"/> 5.2 Biological Diversity |
| <input type="checkbox"/> 5.3 Sustainable Urbanization/Pollution | <input type="checkbox"/> 5.4 Environmentally Sound Energy |
| <input type="checkbox"/> 5.5 Natural Resource Management | <input type="checkbox"/> 6.1 Impact of Crises Reduced |
| <input checked="" type="checkbox"/> 6.2 Urgent Needs in Time of Crisis Met | <input type="checkbox"/> 6.3 Security/Basic Institutions Reestablished |
| <input type="checkbox"/> 7.1 Responsive Assist Mechanisms Developed | <input type="checkbox"/> 7.2 Program Effectiveness Improved |
| <input type="checkbox"/> 7.3 Commit Sustainable Development Assured | <input type="checkbox"/> 7.4 Technical/Managerial Capacity Expand |

Link to U.S. National Interests: Humanitarian Response

Primary Link to MPP Goals: Humanitarian Assistance

Secondary Link to MPP Goals (optional): Regional Stability

Summary of the SO:

An estimated 850,000 IDPs and refugees continue to live under difficult conditions in temporary camps, public buildings including schools, kindergartens, hostels, sanitariums, rest-houses, tourist bases, health camps, in-complete buildings, railway wagons, dug-outs and with relatives, as a result of the continued dispute over Nagorno-Karabakh. With regard to the population's general welfare, as elsewhere in the former Soviet Union, the decline of the centrally-planned system and transition toward a free-market economy have been accompanied by widespread hardship. The majority of citizens have experienced a steep decline in living standards. Fewer and fewer people have access to decent, affordable medical care, while an array of long-standing environmental problems has contributed to a decline in overall public health.

USAID-funded activities focus on assisting vulnerable communities to meet their own needs and maintaining donor capacity to respond to crises. USAID humanitarian assistance during this reporting period continued to meet the needs of vulnerable populations in the critical areas of shelter, health and economic opportunities, with considerable success in the mobilization of community efforts and resources. Priority beneficiaries continue to be IDPs. Other vulnerable groups whose livelihoods and access to basic needs were disrupted by the conflict also are being helped by this SO. Increasingly, USAID assistance is oriented to helping the vulnerable populations acquire the means to lessen their dependence on foreign aid, through such activities as small-scale income generation projects.

Key Results:

Health services were provided to over 448,000 persons, and 175,000 persons received supplemental food rations during the reporting period. The living conditions of 1,602 families have been improved through the cooperative provision of mud and brick shelters, and 3,391 families are now living in rehabilitated public buildings. A total of 11,371 clients received business training; 4,109 clients received loans and grant; and, 8,189 jobs were created. USAID supported fifty-six micro-projects for potable water, irrigation, sanitation, health, education, micro-credit, and building rehabilitation. The 56 participating communities contributed more than 30 percent of the total cost of these projects in the form of labor and material. 35,325 individuals (71 percent women) benefited from the micro projects. With a grant from USAID, UNICEF implemented immunization and health education programs as a result of which 80 percent of Azerbaijan's children are fully immunized and 87 percent are immunized against measles and 96 percent against polio. With USAID-funding, UNHCR assisted, with new and reconstructed housing, 1,107 families in Fizuli, 588 families in Ter-ter and 116 families in Agdam in FY 1999.

Performance and Prospects:

Mercy Corps International's (MCI) umbrella grant awarded fifteen sub-grants during FYs 1998 and 1999. Preliminary indications are that the sub-grantees are progressing satisfactorily toward achieving the targets set up for the three-year program. These targets, which cover a three year timeframe, include improving the living condition of 2,200 families with mud and brick housing and the well-being of 4,500 families in public buildings, and a health and nutrition activity for 270,000 IDPs and 30,000 other conflict-affected vulnerable persons.

Access to health care services was improved in all areas with a high density of IDPs. Health services were provided to over 448,000 persons, and 175,000 persons received supplemental food rations during the reporting period. To date, the living conditions of 1,602 families have

been improved through the cooperative provision of mud and brick shelters, and 3,391 families are now living in rehabilitated public buildings. A total of 11,371 clients received business training; 4,109 clients received loans and grants; and, 8,189 jobs were created. Progress continued to be made in the provision of basic shelter to IDPs in rural areas, and the rehabilitation of public shelter facilities in urban areas. In addition, the scope of income generation projects was expanded, allowing individual IDPs to take charge of their lives and regain their sense of personal pride.

With a grant from USAID, UNICEF implemented immunization activities with the collaboration of PVOs, raised awareness of the Expanded Program of Immunization (EPI) and malaria by distributing printed posters, and developed modules for Integrated Management of Childhood Illnesses (IMCI). Independent UNICEF's surveys indicate that 80 percent of Azerbaijan's children are fully immunized and that overall immunization covers from 87 percent for measles to 96 percent for polio.

CARE and Save the Children Federation (SCF) continued implementation of an integrated project in Gouranboy, one of the liberated and war-damaged areas, using \$2.9 million provided by USAID in FY 1998 from the Victims of the Nagorno-Karabakh Conflict Fund. This project assists the victims in the critical sectors of shelter, health, business development and mass information. These activities complement the World Bank's pilot project for resettlement and reconstruction of the liberated/war damaged areas.

SCF is implementing a community-based Participatory Micro-Project Program (PMPP) in the region of Berde with \$1.0 million provided by USAID from the Victims of the Nagorno-Karabakh conflict earmark. This project will target IDPs and other vulnerable groups. A total of 56 communities have been organized, benefiting 35,325 individuals (71 percent women). Fifty-six micro projects for potable water, irrigation, sanitation, health, education, micro-credit, and building rehabilitation have been implemented. Communities have contributed more than 30 percent for these projects in form of labor and material.

With a \$2.8 million contribution from USAID and additional resources from other donors, UNHCR continues to successfully implement its pilot project for resettlement and reconstruction. The overall program has assisted, with new and reconstructed housing, 1,107 families in Fizuli, 588 families in Ter-ter and 116 families in Agdam in FY 1999.

USAID provided \$1.0 million to the World Food Program's (WFP) 1999 appeal. In addition, the Food for Peace Office in the Bureau for Humanitarian Response provided the WFP with approximately \$4.2 million in emergency food aid and funding for transportation and shipping cost in response to this WFP appeal. WFP provided food to approximately 190,000 IDPs, refugees and other vulnerable groups using World Vision International (WVI) as its implementing partner.

MCI will be issuing the next round of RFAs in FY 2000 with a dimension in the program to effect behavioral change, and to provide more economic opportunities and sustainable access in the health sector.

USAID is considering support for a UNICEF initiative, which would revitalize primary health care in the IDP settlements. This initiative is part of UNICEF's overall country program and is based on the community ownership principle. It is expected that investment in this initiative will reduce the health caseload under MCI's umbrella grant and will provide a sustainable mechanism for health care.

The GOAJ signed an aide memoir in 1999 with the World Bank, UNDP and UNHCR for the socio-economic integration of the IDPs. It subsequently established a Social Fund for the Development of IDPs (SFDIDP) and secured a loan of \$10.0 million for activities under this Fund. These actions reflect a major change in the attitude of the GOAJ due, at least in part, to obvious donor fatigue, pressure from the implementing agencies, and active lobbying by the UN agencies, USG, and other players. However, the commitment of the GOAJ in FY 1999 to support the reintegration of IDPs has yielded few tangible results to date. USAID has received \$5.0 million from the Caucasus Peace Fund to complement the SFDIDP program with social sector interventions. An RFA will be issued under MCI's umbrella grant for this program.

Possible Adjustments to Plans:

USAID's proposed strategy provides for increased resources to facilitate the economic and social integration of the IDPs and refugees. USAID's forthcoming program will be more flexible in addressing the challenges of integration, repatriation and in meeting needs which arise prior to, during, and after people have been moved. USAID is prepared to adjust its program should the GOAJ eventually assume a larger, more responsible role in helping the IDPs.

Other Donor Programs:

More oil companies are now providing limited funding for humanitarian and development assistance. The European Community Humanitarian Organization (ECHO) has continued to be the main non-US humanitarian assistance donor in Azerbaijan. ECHO supports programs for the former ECHO refugee camps and resettlement in the Fizuli area. Japan and many European countries provide important support to the UN and international organizations. USDA, the Department of State (PRM and S/NIS/C), and the Department of Defense give substantial support in the areas of food commodities, support of international organizations, excess equipment and pharmaceutical donations, and transportation.

Major Contractors and Grantees:

The primary U.S. PVOs operating in Azerbaijan continue to be Mercy Corps International, Save the Children, UMCOR, CARE, Adventist Development and Relief Agency, World Vision, International Rescue Committee, Relief International, and the American Red Cross. USAID also supports WFP, UNHCR and UNICEF.

Performance Data Table

Objective Name: Reduced Human Suffering in Conflict-Affected Areas			
Objective ID: 112-031-01			
Approved: No (Strategy Review Scheduled June 00)		Country/Organization: Azerbaijan, USAID/Caucasus	
Result Name: Reduced Human Sufering in Conflict-Affected Areas			
Indicator: Infant Mortality Rate in Conflict-Affected Areas			
Unit of Measure: Infant Deaths per 1000 Births	Year	Planned	Actual
Source: UNFPAand UNICEF	1997 (Baseline)	NA	19.8
Indicator/Description: The number of infant deaths per 1000 live births each year in conflict-affected areas.	1998	NA	19.6
	1999	18.0	
	2000	16.0	
	2001	14.0	
	2002		
<p>Comments: Data provided is for Azerbaijan as a whole. In implementing the new transitional strategy for Azerbaijan, specific data for the regions affected by conflict will be gathered for comparison with national data.</p> <p>Note: This indicator is proposed as part of the draft Azerbaijan Strategic Plan and will be further developed upon approval of the Plan.</p>			

Performance Data Table

Objective Name: Reduced Human Suffering in Conflit-Affected Areas			
Objective ID: 112-031-01			
Approved: No (Strategy Review is Scheduled in June 00)		Country/Organization: Azerbaijan USAID/Caucasus	
Result Name: Reduced Human Suffering in Conflit-Affected Areas			
Indicator: Number of loan jobs created			
Unit of Measure: Number of jobs created	Year	Planned	Actual
Source: Mercy Corps International (MCI)	1999 (baseline)	N/A	8,189
Indicator/Description: The number of jobs created by activities within the parameters of MCI's umbrella cooperative agreement to assist IDPs/Refugees and conflict-affected population.	2000	10,000	
	2001	12,500	
	2002	TBD	
Comments: It is planned that in implementing the new transitional strategy for Azerbaijan, that specific data for the regions affected by conflict will be gathered for comparison with national data.			
Note: This indicator is proposed as part of the draft Azerbaijan Strategic Plan and will be further developed upon approval of the Plan.			

Performance Data Table

Objective Name: Reduced Human Suffering in Conflict-Affected Areas			
Objective ID: 112-031-01			
Approved: No (Strategy Review Scheduled June 00)		Country/Organization: Azerbaijan, USAID/Caucasus	
Result Name: Reduced Human Sufering in Conflict-Affected Areas			
Indicator: Population Living in Poverty (in Conflict-Affected Areas)			
Unit of Measure: Percentage	Year	Planned	Actual
Source: World Bank	1997	NA	70%
Indicator/Description: The percentage of people living in poverty in conflict-affected areas.	(Baseline)		
	1998	NA	NA
	1999	68%	
	2000	65%	
	2001	60%	
	2002	TBD	
<p>Comments: Data provided is for Azerbaijan as a whole. In implementing the new transitional strategy for Azerbaijan, specific data for the regions affected by conflict will be gathered for comparison with national data.</p> <p>Note: This indicator is proposed as part of the draft Azerbaijan Strategic Plan and will be further developed upon approval of the Plan.</p>			

Performance Data Table

Objective Name: Reduced Human Suffering in Conflict-Affected Areas			
Objective ID: 112-031-01			
Approved: No (Strategy Review Scheduled June 00)		Country/Organization: Azerbaijan, USAID/Caucasus	
Result Name: Vulnerable Communities Able to Meet Their Own Needs			
Indicator: Number of Community Development Projects Completed			
Unit of Measure: Number of Projects Completed	Year	Planned	Actual
Source: MCI and SCF	1999	40	30
Indicator/Description: The number of projects carried through to completion.	(Baseline)		
	2000	100	
	2001	300	
	2002	TBD	
Comments: A number of community development projects were initiated in 1999 and are still in the implementation phase.			
Note: This indicator is proposed as part of the draft Azerbaijan Strategic Plan and will be further developed upon approval of the Plan.			

SO 4.1 – Special Initiatives

Country/Organization: USAID/Caucasus - Azerbaijan

Objective ID: 112-042-01

Objective Name: Cross-cutting Programs

Self Assessment: On Track

Self Assessment Narrative: All of the health activities being undertaken as part of the health directives are on target. The activities are being implemented in the IDP and refugee camps or public buildings in close coordination with activities being carried out under SO 3.1.

Primary Link to Strategic Agency Framework: 4.2 Infant and Child Health/Nutrition
(please select only one)

Secondary Link to Strategic Agency Framework:
(select as many as you require)

- | | |
|--|--|
| <input type="checkbox"/> 1.1 Private Markets | <input type="checkbox"/> 1.2 Ag Development/Food Security |
| <input type="checkbox"/> 1.3 Economic Opportunity for Poor | <input type="checkbox"/> 2.1 Rule of Law/Human Rights |
| <input type="checkbox"/> 2.2 Credible Political Processes | <input type="checkbox"/> 2.3 Politically Active Civil Society |
| <input type="checkbox"/> 2.4 Accountable Gov't Institutions | <input type="checkbox"/> 3.1 Access to Ed/Girl's Education |
| <input type="checkbox"/> 3.2 Higher Ed/Sustainable Development | <input checked="" type="checkbox"/> 4.1 Unintended Pregnancies Reduced |
| <input checked="" type="checkbox"/> 4.2 Infant/Child Health/Nutrition | <input checked="" type="checkbox"/> 4.3 Child Birth Mortality Reduced |
| <input type="checkbox"/> 4.4 HIV/AIDS | <input checked="" type="checkbox"/> 4.5 Infectious Diseases Reduced |
| <input type="checkbox"/> 5.1 Global Climate Change | <input type="checkbox"/> 5.2 Biological Diversity |
| <input type="checkbox"/> 5.3 Sustainable Urbanization/Pollution | <input type="checkbox"/> 5.4 Environmentally Sound Energy |
| <input type="checkbox"/> 5.5 Natural Resource Management | <input checked="" type="checkbox"/> 6.1 Impact of Crises Reduced |
| <input checked="" type="checkbox"/> 6.2 Urgent Needs in Time of Crisis Met | <input type="checkbox"/> 6.3 Security/Basic Institutions Reestablished |
| <input type="checkbox"/> 7.1 Responsive Assist Mechanisms Developed | <input type="checkbox"/> 7.2 Program Effectiveness Improved |
| <input type="checkbox"/> 7.3 Commit Sustainable Development Assured | <input type="checkbox"/> 7.4 Technical/Managerial Capacity Expand |

Link to U.S. National Interests: Global Issues: Environment, Population, Health

Primary Link to MPP Goals: Health

Secondary Link to MPP Goals (optional): Population

Summary of the SO:

The Special Initiatives consist of funding for health, family planning and maternal and child health activities. The activities focus mainly on providing health education materials in order to strengthen the clinics in the camps by permitting them to provide a more comprehensive service

to their clients. Family planning education is an integral part of the program. The Centers for Disease Control's (CDC Atlanta) reproductive health survey is funded out of SO 4.1. CDC Atlanta's survey activities have just started. We plan to use SO 4.1 funds to finance UNICEF's Revitalization of Primary Health Care Project in IDP Settlements as described in SO 3.1. The balance of funds under this SO will be used to fund health sub-grants under the MCI umbrella grant program. The indicators under SO 3.1 also track progress in achieving results with SO 4.2 funds.

Key Results:

Performance and Prospects:

Possible Adjustments to Plans:

Other Donor Programs:

Major Contractors and Grantees:

SO 4.2 Cross-cutting Programs

Country/Organization: USAID/Caucasus - Azerbaijan

Objective ID: 112-042-01

Objective Name: Cross-cutting Programs

Self Assessment: On Track

Self Assessment Narrative:

Primary Link to Strategic Agency Framework:
(please select only one)

Secondary Link to Strategic Agency Framework:
(select as many as you require)

- | | |
|---|--|
| <input type="checkbox"/> 1.1 Private Markets | <input type="checkbox"/> 1.2 Ag Development/Food Security |
| <input type="checkbox"/> 1.3 Economic Opportunity for Poor | <input type="checkbox"/> 2.1 Rule of Law/Human Rights |
| <input type="checkbox"/> 2.2 Credible Political Processes | <input type="checkbox"/> 2.3 Politically Active Civil Society |
| <input type="checkbox"/> 2.4 Accountable Gov't Institutions | <input type="checkbox"/> 3.1 Access to Ed/Girl's Education |
| <input type="checkbox"/> 3.2 Higher Ed/Sustainable Development | <input type="checkbox"/> 4.1 Unintended Pregnancies Reduced |
| <input type="checkbox"/> 4.2 Infant/Child Health/Nutrition | <input type="checkbox"/> 4.3 Child Birth Mortality Reduced |
| <input type="checkbox"/> 4.4 HIV/AIDS | <input type="checkbox"/> 4.5 Infectious Diseases Reduced |
| <input type="checkbox"/> 5.1 Global Climate Change | <input type="checkbox"/> 5.2 Biological Diversity |
| <input type="checkbox"/> 5.3 Sustainable Urbanization/Pollution | <input type="checkbox"/> 5.4 Environmentally Sound Energy |
| <input type="checkbox"/> 5.5 Natural Resource Management | <input type="checkbox"/> 6.1 Impact of Crises Reduced |
| <input type="checkbox"/> 6.2 Urgent Needs in Time of Crisis Met | <input type="checkbox"/> 6.3 Security/Basic Institutions Reestablished |
| <input type="checkbox"/> 7.1 Responsive Assist Mechanisms Developed | <input type="checkbox"/> 7.2 Program Effectiveness Improved |
| <input type="checkbox"/> 7.3 Commit Sustainable Development Assured | <input type="checkbox"/> 7.4 Technical/Managerial Capacity Expand |

Link to U.S. National Interests: National Security

Primary Link to MPP Goals: Economic Development

Secondary Link to MPP Goals (optional): No Secondary Linkage

Summary of the SO:

Training: The importance of training to the development of the private sector and civil society in Azerbaijan cannot be overstated. Through the training experience, participants not only develop new skills, but they make important contacts both with individuals from other parts of Azerbaijan as well as with people from other countries. These contacts outside Azerbaijan provide a window to the world as well as first-hand knowledge and information on the

experiences of other transition countries and their applicability to Azerbaijan. These contacts also provide a continuing source of professional and personal information to the participant. Through its training provider, the Academy for Educational Development (AED), USAID has sponsored 15 training programs with a total of 250 carefully selected participants in FY 1999. AED's training plan includes a number of activities in support of "democratization" and small and medium enterprise development in Azerbaijan. Courses conducted during FY 1999 included continuation of community development and civil society courses for refugee and IDP community leaders. AED also continued implementation of business development and agro-business consultation, agricultural study tours related to agricultural development, and a number of courses in support of democratization in Azerbaijan.

Small Grants Program: The Eurasia Foundation has provided financial support through grants to local organizations for programs promoting economic and democratic reform in Azerbaijan. These grants provide the necessary financial support that enables Azerbaijani NGOs to promote positive and sustainable change. For example, one of the business associations that has received support from the Eurasia Foundation, the Yeni Nesil Union of Journalists in Azerbaijan, has been working with the National Assembly to reform the media law. The Eurasia Foundation also has provided support for organizations working with the registration of NGOs. The benefits of the Eurasia Foundation's grants to local NGOs in the areas of rule-of-law and NGO strengthening are becoming increasingly apparent. Local NGOs participating in the project are evidencing increasing activity, more independent thinking and more sustainability.

Key Results:

Performance and Prospects:

Possible Adjustments to Plans:

Other Donor Programs:

Major Contractors and Grantees:

R4 Part III: Resource Request

1. Program Priorities and Budget Request

The Azerbaijan program has been and will remain seriously under-funded through FY 2000 and greatly constrained by Section 907. The budget request level of \$44 million for FY 2001 and FY 2002 will significantly increase USAID's capacity to help Azerbaijan improve its stability, prosperity, and democratic form of government. The higher funding level permits USAID to implement programs that go beyond addressing the basic human needs of IDPs, refugees and other conflict-affected vulnerable groups, and reach out to other vulnerable populations. Similarly, the increase in financial resources will permit the USAID Program to provide adequate support for local political and civic development. USAID's first Strategic Plan for Azerbaijan is to be reviewed in Washington during the third quarter of FY 2000. The program plans and directions discussed below represent the Mission's current thinking based on anticipated funding levels and likely continuation of Section 907 funding constraints.

The Azerbaijan Strategic Plan which will be presented to USAID/Washington will guide the USAID program in a gradual transition over a three-year period from a focus on short-term humanitarian relief to a focus on sustainable economic development. While continuing to receive sizeable funding resources, humanitarian assistance will gradually decline. Humanitarian assistance activities will focus on IDPs and refugees in temporary settlements, as well as those being moved to permanent resettlement sites under the recently signed Aide Memoire between the GOAJ and the World Bank, UNDP, and UNHCR. Economic restructuring and democracy and governance will receive increasing program support. Economic restructuring activities will focus on capacity building and credit programs for the SME sector, including expanded activities in agriculture and agribusiness. The program also will continue to address the needs of private banks and bankers. The democracy and governance program will continue to support elections and work with political parties. Support will be expanded in the area of rule-of-law, and NGO strengthening, and continue to focus on the free flow of print and electronic information. A strengthened emphasis in both areas is needed to combat the endemic corruption.

The Coordinator's Office has prepared a substantive "What if?" paper to help guide preliminary USG thinking on the potential substance and size of a USAID program for Azerbaijan should a peace agreement be reached between Azerbaijan and Armenia in the foreseeable future.

2. Operating Expense and Workforce Request

Introduction - Senior management conducted a comprehensive review of USAID/Caucasus – Azerbaijan's operating expense (OE) budget in relation to planned program funding levels to ensure there are sufficient resources to support the program activities. To adequately manage a program which will double in size beginning in FY 2001, we must begin augmenting the Mission's staff in FY 2000 and making arrangements to support further staff expansion, including providing additional office space for the Coordinator's Office. To distinguish the OE cost implications of the substantial increase in Azerbaijan program funds, USAID/Caucasus is providing an OE Table based on the status quo and a supplemental OE table of the additional cost of supporting an enhanced Azerbaijan program. When combined with the USAID/Caucasus

- Georgia budget, the R4 OE budget levels shown for Azerbaijan, are at the levels established by the E&E Bureau for the Caucasus and are adequate to maintain current USDH staffing levels. OE cost implications for USAID/Caucasus – Georgia will be reflected in its R4.

Comments on R4 OE Budget Table - The R4 OE budget is based on the assumption that the status quo will continue and Section 907 of the FSA will remain in effect through FY 2002. In this situation, OE-funded staff stays at 2 USDHs and 2 FSNs. We increased “FSN Salaries” for inflation and step increases. The higher “Personnel Benefits” and “Travel and Transportation” costs in FYs 2001 and 2002 stem from USDH rotations and projected larger family sizes. “Rental Payments” are down in FY 2001 because of a two-year advance payment made in FY 2000 for one of the residences. Other operating costs remain low because of the heavy reliance on ICASS. Expected FSN salary increases and larger USDH family sizes drive the annual increases in the “ICASS” line item. “NXP” expenditures are minimal in all three years. The largest NXP planned procurement is for office furniture in FY 2000 to replace furniture currently provided by the Embassy.

Comments on the Supplemental OE Budget Table - The additional funding requested in the supplemental budget is needed to support a substantial increase in program activities. The program budget will double to \$44 million in FY 2001 and will require the Coordinator’s Office to add both program and OE-funded staff. The supplemental OE budget assumes the most expensive scenario, with the Office moving out of the Embassy into commercial office space. If the Office does not have to move out of the Embassy, the projected cost would be significantly less and the Office would hire only two more OE-funded FSNs – a secretary and a financial/administrative specialist.

In preparing the supplemental OE budget we assumed that we will lease the office space, contract for the renovation and security upgrades, and issue purchase orders for the needed office furniture and equipment in FY 2000. We estimate that the FY 2000 costs will total approximately \$440,000, including the cost of the security doors and hard-line, but not other required security equipment that is normally provided by M/SEC. The out-years budgets also contain approximately \$300,000 of recurring OE costs such as lease payments, security guards, utilities, other operating costs and staff. We budgeted for three new OE- funded FSN positions: a systems administrator, a receptionist and a financial/administrative specialist.

On the program side, the Coordinator’s Office plans to hire two new FSN program specialists, two FSN secretaries, one FSN driver and a USPSC program manager. We plan to convert the new USPSC program-funded position to an OE-funded USDH position in FY 2002, which adds about \$165,000 to the OE supplemental budget in FY 2002. This position is not initially budgeted as a USDH position because of the low probability of being able to fill a USDH position at this time. We also are also requesting a second USDH Contracting Officer for USAID/Caucasus - Georgia to support the higher level of program activities. The request for funding for this position is in the USAID/Caucasus - Georgia R4 OE supplemental budget.

Note on Tables – We have not included a Controller Operations Table. The costs of operating the Controller’s Office for Azerbaijan will be incorporated in the Controller Operation Table submitted with the USAID/Caucasus R4 for Georgia. We have not included a Capital Fund

Table, as there will be no OE expenses that fall into the categories reportable in this table. We have not included any additional tables (i.e. Workforce, USDH, and Capital Improvement) for the Supplemental OE Budget Table.

Accessing Global Bureau Services Through Field Support and Buy-Ins

Objective Name	Field Support and Buy-Ins: Activity Title & Number	Priority *	Duration	Estimated Funding (\$000)			
				FY 2001		FY 2002	
				Obligated by:		Obligated by:	
Operating Unit	Global Bureau	Operating Unit	Global Bureau				
SO 3.1 Reduced Human Suffering in Conflict-Affected	JHPIEGO	Routine	1 Year		250,000		250,000
SO 3.1 Reduced Human Suffering in Conflict-Affected	AIDSMARK	Routine	1 Year		250,000		250,000
GRAND TOTAL.....							

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

Program, Workforce and OE

(in a separate folder named Country02R2b_data; enter data and print separately)

FY 2000 Budget Request by Program/Country

Fiscal Year: 2000
 Approp: 72 0/1 1093
 Scenario:

Program/Country: USAID/Caucasus-Azerbaijan

REVISED 3/22/00

S.O. # , Title		FY 2000 Request												Est. S.O. Expenditures	Est. S.O. Pipeline End of FY2000
	Bilateral/Field Spt	Total	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Health Promotion (**)	Environ	D/G		
SO 1.3: Accelerated Development and Growth of Private Enterprises															
	Bilateral	3,650,000		3,650,000				0						6,753,837	1,641,500
	Field Spt														
		3,650,000	0	3,650,000	0	0	0	0	0	0	0	0	0	6,753,837	1,641,500
SO 2.1: Civil Society Better Organized and Represented															
	Bilateral	4,250,000											4,250,000	5,020,000	2,295,000
	Field Spt														
		4,250,000	0	0	0	0	0	0	0	0	0	0	4,250,000	5,020,000	2,295,000
SO 3.1: Human Suffering and Crises impact Reduced															
	Bilateral	7,230,000												15,502,207	7,052,198
	Field Spt	0													
		7,230,000	0	0	0	0	0	0	0	0	0	0	0	15,502,207	7,052,198
SO 4.1: Special Initiatives															
	Bilateral	2,770,000						450,000						2,342,800	2,702,200
	Field Spt	100,000					100,000							100,000	0
		2,870,000	0	0	0	0	100,000	450,000	0	0	0	0	0	2,442,800	2,702,200
SO 4.2: Cross-Cutting Programs															
	Bilateral	3,000,000		2,300,000		400,000							300,000	1,650,000	1,350,000
	Field Spt	0													
		3,000,000	0	2,300,000	0	400,000	0	0	0	0	0	0	300,000	1,650,000	1,350,000
	Bilateral	0													
	Field Spt	0													
		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Bilateral	0													
	Field Spt	0													
		0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral		20,900,000	0	5,950,000	0	400,000	0	450,000	0	0	0	0	4,550,000	31,268,844	15,040,898
Total Field Support		100,000	0	0	0	0	100,000	0	0	0	0	0	0	100,000	0
TOTAL PROGRAM		21,000,000	0	5,950,000	0	400,000	100,000	450,000	0	0	0	0	4,550,000	31,368,844	15,040,898

FY 2000 Request Agency Goal Totals	
Econ Growth	5,950,000
Democracy	4,550,000
HCD	400,000
PHN	550,000
Environment	0
Program ICASS	0
GCC (from all Goals)	0

FY 2000 Account Distribution (DA only)	
Dev. Assist Program	20,550,000
Dev. Assist ICASS	
Dev. Assist Total:	20,550,000
CSD Program	450,000
CSD ICASS	
CSD Total:	450,000

Prepare one set of tables for each Fiscal Year (FY2000, FY2001, FY2002)

Prepare one set of tables for each appropriation Account
 Tables for DA and CSD may be combined on one table.

For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account. (**) Health Promotion is normally funded from the CSD Account, although amounts for Victims of War/Victims of Torture are funded from the DA/DFR Account

FY 2001 Budget Request by Program/Country

Fiscal Year: 2001
 Approp: 72 1/2 1093
 Scenario:

Program/Country: USAID/Caucasus-Azerbaijan

REVISED 3/22/00

S.O. # , Title		FY 2001 Request												Est. S.O. Expenditures	Est. S.O. Pipeline End of FY2001	
		Bilateral/Field Spt	Total	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Health Promotion (**)	Environ			D/G
SO 1.3: Accelerated Development and Growth of Private Enterprises																
Bilateral	13,013,000	1,900,000	11,113,000				0							8,574,650	6,079,850	
Field Spt							0							0	0	
	13,013,000	1,900,000	11,113,000	0	0	0	0	0	0	0	0	0	0	8,574,650	6,079,850	
SO 2.1: Civil Society Better Organized and Represented																
Bilateral	10,250,000												10,250,000	5,515,000	7,030,000	
Field Spt							0						0	0	0	
	10,250,000	0	0	0	0	0	0	0	0	0	0	0	10,250,000	5,515,000	7,030,000	
SO 3.1: Human Suffering and Crisis Impact Reduced																
Bilateral	11,737,000													15,400,000	3,389,198	
Field Spt	0						0						0	0	0	
	11,737,000	0	0	0	0	0	0	0	0	0	0	0	15,400,000	3,389,198		
SO 4.1: Special Initiatives																
Bilateral	3,500,000						350,000							4,395,000	1,807,200	
Field Spt	500,000					500,000							500,000	0	0	
	4,000,000	0	0	0	0	500,000	350,000	0	0	0	0	0	4,895,000	1,807,200		
SO 4.2: Cross-Cutting Programs																
Bilateral	5,000,000		3,000,000	500,000	500,000	500,000							500,000	3,350,000	3,000,000	
Field Spt	0												0	0	0	
	5,000,000	0	3,000,000	500,000	500,000	500,000	0	0	0	0	0	0	500,000	3,350,000	3,000,000	
Bilateral	0													0	0	
Field Spt	0												0	0	0	
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Bilateral	0													0	0	
Field Spt	0												0	0	0	
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Bilateral	43,500,000	1,900,000	14,113,000	500,000	500,000	500,000	350,000	0	0	0	0	0	10,750,000	37,234,650	21,306,248	
Total Field Support	500,000	0	0	0	0	500,000	0	0	0	0	0	0	0	500,000	0	
TOTAL PROGRAM	44,000,000	1,900,000	14,113,000	500,000	500,000	1,000,000	350,000	0	0	0	0	0	10,750,000	37,734,650	21,306,248	

FY 2001 Request Agency Goal Totals	
Econ Growth	16,013,000
Democracy	10,750,000
HCD	1,000,000
PHN	1,350,000
Environment	0
Program ICASS	0
GCC (from all Goals)	0

FY 2001 Account Distribution (DA only)	
Dev. Assist Program	43,150,000
Dev. Assist ICASS	850,000
Dev. Assist Total:	43,150,000
CSD Program	850,000
CSD ICASS	0
CSD Total:	850,000

Prepare one set of tables for each Fiscal Year (FY2000, FY2001, FY2002)

Prepare one set of tables for each appropriation Account
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For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account. (**) Health Promotion is normally funded from the CSD Account, although amounts for Victims of War/Victims of Torture are funded from the DA/DFR Account

FY 2002 Budget Request by Program/Country

REVISED 3/22/00

Fiscal Year: 2002 Program/Country: Azerbaijan
 Approp: 72 2/3 1093
 Scenario:

S.O. # , Title		FY 2002 Request												Est. S.O. Expenditures	Est. S.O. Pipeline End of FY2002	
		Bilateral/Field Spt	Total	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Health Promotion (**)	Environ			D/G
SO 1.3: Accelerated Development and Growth of Private Enterprises																
Bilateral	13,013,000	1,900,000	11,113,000				0							11,286,050	7,806,800	
Field Spt							0								0	
	13,013,000	1,900,000	11,113,000	0	0	0	0	0	0	0	0	0	0	11,286,050	7,806,800	
SO 2.1: Civil Society Better Organized and Represented																
Bilateral	10,250,000												10,250,000	11,130,000	6,150,000	
Field Spt							0									
	10,250,000	0	0	0	0	0	0	0	0	0	0	0	10,250,000	11,130,000	6,150,000	
SO 3.1: Human Suffering and Crisis Impact Reduced																
Bilateral	11,737,000												15,126,198	0		
Field Spt	0						0									
	11,737,000	0	0	0	0	0	0	0	0	0	0	0	15,126,198	0		
SO 4.1: Special Initiatives																
Bilateral	3,500,000						350,000						5,307,200	0		
Field Spt	500,000					500,000							500,000	0		
	4,000,000	0	0	0	0	500,000	350,000	0	0	0	0	0	5,807,200	0		
SO 4.2: Cross-Cutting Programs																
Bilateral	5,000,000		3,000,000	500,000	500,000	500,000							500,000	3,350,000	4,650,000	
Field Spt	0															
	5,000,000	0	3,000,000	500,000	500,000	500,000	0	0	0	0	0	0	500,000	3,350,000	4,650,000	
Bilateral	0															
Field Spt	0															
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bilateral	0															
Field Spt	0															
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral	43,500,000	1,900,000	14,113,000	500,000	500,000	500,000	350,000	0	0	0	0	0	10,750,000	46,199,448	18,606,800	
Total Field Support	500,000	0	0	0	0	500,000	0	0	0	0	0	0	0	500,000	0	
TOTAL PROGRAM	44,000,000	1,900,000	14,113,000	500,000	500,000	1,000,000	350,000	0	0	0	0	0	10,750,000	46,699,448	18,606,800	

FY 2002 Request Agency Goal Totals	
Econ Growth	16,013,000
Democracy	10,750,000
HCD	1,000,000
PHN	1,350,000
Environment	0
Program ICASS	0
GCC (from all Goals)	0

FY 2002 Account Distribution (DA only)	
Dev. Assist Program	43,150,000
Dev. Assist ICASS	850,000
Dev. Assist Total:	43,150,000
CSD Program	850,000
CSD ICASS	0
CSD Total:	850,000

Prepare one set of tables for each Fiscal Year (FY2000, FY2001, FY2002)

Prepare one set of tables for each appropriation Account
 Tables for DA and CSD may be combined on one table.

For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account. (**) Health Promotion is normally funded from the CSD Account, although amounts for Victims of War/Victims of Torture are funded from the DA/DFA Account

OPERATING EXPENSES

Org. Title: Org. No: OC		USAID/Caucasus-Azerbaijan 112		Overseas Mission Budgets								
				FY 2000 Estimate			FY 2001 Target			FY 2002 Target		
				Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
11.1	Personnel compensation, full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
11.1	Base Pay & pymt. for annual leave balances - FNDH			0			0		0			
	Subtotal OC 11.1	0	0	0	0	0	0	0	0			
11.3	Personnel comp. - other than full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
11.3	Base Pay & pymt. for annual leave balances - FNDH			0			0		0			
	Subtotal OC 11.3	0	0	0	0	0	0	0	0			
11.5	Other personnel compensation	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
11.5	USDH			0			0		0			
11.5	FNDH			0			0		0			
	Subtotal OC 11.5	0	0	0	0	0	0	0	0			
11.8	Special personal services payments	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
11.8	USPSC Salaries			0			0		0			
11.8	FN PSC Salaries	16.6		16.6	21.6		21.6	23.8	23.8			
11.8	IPA/Details-In/PASAs/RSSAs Salaries			0			0		0			
	Subtotal OC 11.8	16.6	0	16.6	21.6	0	21.6	23.8	0	23.8		
12.1	Personnel benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
12.1	USDH benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
12.1	Educational Allowances			0	31.6		31.6	65.1		65.1		
12.1	Cost of Living Allowances	7.1		7.1	8		8	8.1		8.1		
12.1	Home Service Transfer Allowances			0			0			0		
12.1	Quarters Allowances			0	22		22	22.7		22.7		
12.1	Other Misc. USDH Benefits			0	1.5		1.5	1.5		1.5		
12.1	FNDH Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
12.1	** Payments to FSN Voluntary Separation Fund - FNDH			0			0			0		
12.1	Other FNDH Benefits			0			0			0		
12.1	US PSC Benefits			0			0			0		
12.1	FN PSC Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
12.1	** Payments to the FSN Voluntary Separation Fund - FN PSC			0			0			0		
12.1	Other FN PSC Benefits	4.2		4.2	4.3		4.3	4.4		4.4		
12.1	IPA/Detail-In/PASA/RSSA Benefits			0			0			0		
	Subtotal OC 12.1	11.3	0	11.3	67.4	0	67.4	101.8	0	101.8		

OPERATING EXPENSES

Org. Title: Org. No: OC		USAID/Caucasus-Azerbaijan 112		Overseas Mission Budgets								
				FY 2000 Estimate			FY 2001 Target			FY 2002 Target		
				Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
13.0	Benefits for former personnel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
13.0	FNDH	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
13.0	Severance Payments for FNDH			0			0			0		
13.0	Other Benefits for Former Personnel - FNDH			0			0			0		
13.0	FN PSCs	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
13.0	Severance Payments for FN PSCs			0			0			0		
13.0	Other Benefits for Former Personnel - FN PSCs			0			0			0		
	Subtotal OC 13.0	0	0	0	0	0	0	0	0	0		
21.0	Travel and transportation of persons	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
21.0	Training Travel	9.4		9.4	9.7		9.7	10		10		
21.0	Mandatory/Statutory Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
21.0	Post Assignment Travel - to field			0	10.3		10.3	10.6		10.6		
21.0	Assignment to Washington Travel			0	5.6		5.6			0		
21.0	Home Leave Travel			0			0	3.9		3.9		
21.0	R & R Travel	7.5		7.5	7.7		7.7	12.6		12.6		
21.0	Education Travel			0			0			0		
21.0	Evacuation Travel			0			0			0		
21.0	Retirement Travel			0			0			0		
21.0	Pre-Employment Invitational Travel			0			0			0		
21.0	Other Mandatory/Statutory Travel	5.4		5.4	5.5		5.5	5.7		5.7		
21.0	Operational Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
21.0	Site Visits - Headquarters Personnel	6.4		6.4	9.9		9.9	6.6		6.6		
21.0	Site Visits - Mission Personnel	21.4		21.4	22		22	21.2		21.2		
21.0	Conferences/Seminars/Meetings/Retreats	8.7		8.7	9		9	9.2		9.2		
21.0	Assessment Travel			0			0			0		
21.0	Impact Evaluation Travel			0			0			0		
21.0	Disaster Travel (to respond to specific disasters)			0			0			0		
21.0	Recruitment Travel			0			0			0		
21.0	Other Operational Travel			0			0			0		
	Subtotal OC 21.0	58.8	0	58.8	79.7	0	79.7	79.8	0	79.8		
22.0	Transportation of things	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
22.0	Post assignment freight	0		0	51.5		51.5	26.5		26.5		
22.0	Home Leave Freight			0			0	1.6		1.6		
22.0	Retirement Freight			0			0			0		
22.0	Transportation/Freight for Office Furniture/Equip.	6		6	2		2	2.1		2.1		

OPERATING EXPENSES

Org. Title: Org. No: OC		USAID/Caucasus-Azerbaijan 112		Overseas Mission Budgets								
				FY 2000 Estimate			FY 2001 Target			FY 2002 Target		
				Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
22.0	Transportation/Freight for Res. Furniture/Equip.	1		1	0.8		0.8	0.8		0.8		
	Subtotal OC 22.0	7	0	7	54.3	0	54.3	31	0	31		
23.2	Rental payments to others	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
23.2	Rental Payments to Others - Office Space			0			0			0		
23.2	Rental Payments to Others - Warehouse Space			0			0			0		
23.2	Rental Payments to Others - Residences	201		201	57		57	129		129		
	Subtotal OC 23.2	201	0	201	57	0	57	129	0	129		
23.3	Communications, utilities, and miscellaneous charges	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
23.3	Office Utilities			0			0			0		
23.3	Residential Utilities	0.7		0.7	0.8		0.8	0.8		0.8		
23.3	Telephone Costs	11		11	11.3		11.3	11.7		11.7		
23.3	ADP Software Leases			0			0			0		
23.3	ADP Hardware Lease			0			0			0		
23.3	Commercial Time Sharing			0			0			0		
23.3	Postal Fees (Other than APO Mail)			0			0			0		
23.3	Other Mail Service Costs			0			0			0		
23.3	Courier Services			0			0			0		
	Subtotal OC 23.3	11.7	0	11.7	12.1	0	12.1	12.5	0	12.5		
24.0	Printing and Reproduction			0			0			0		
	Subtotal OC 24.0	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				
25.1	Studies, Analyses, & Evaluations			0			0			0		
25.1	Management & Professional Support Services			0			0			0		
25.1	Engineering & Technical Services			0			0			0		
	Subtotal OC 25.1	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				
25.2	Office Security Guards			0			0			0		
25.2	Residential Security Guard Services			0			0			0		
25.2	Official Residential Expenses			0			0			0		
25.2	Representation Allowances			0			0			0		
25.2	Non-Federal Audits			0			0			0		

OPERATING EXPENSES

Org. Title:	USAID/Caucasus-Azerbaijan	Overseas Mission Budgets										
		Org. No:	112	FY 2000 Estimate			FY 2001 Target			FY 2002 Target		
				Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
OC												
25.2	Grievances/Investigations			0			0			0		
25.2	Insurance and Vehicle Registration Fees			0			0			0		
25.2	Vehicle Rental			0			0			0		
25.2	Manpower Contracts			0			0			0		
25.2	Records Declassification & Other Records Services			0			0			0		
25.2	Recruiting activities			0			0			0		
25.2	Penalty Interest Payments			0			0			0		
25.2	Other Miscellaneous Services	3		3	3.1		3.1	3.2		3.2		
25.2	Staff training contracts			0			0			0		
25.2	ADP related contracts			0			0			0		
	Subtotal OC 25.2	3	0	3	3.1	0	3.1	3.2	0	3.2		
25.3	Purchase of goods and services from Government accounts	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
25.3	ICASS	167		167	192.1		192.1	220.9		220.9		
25.3	All Other Services from Other Gov't. accounts			0			0			0		
	Subtotal OC 25.3	167	0	167	192.1	0	192.1	220.9	0	220.9		
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				
25.4	Office building Maintenance			0			0			0		
25.4	Residential Building Maintenance	5		5	5.2		5.2	5.3		5.3		
	Subtotal OC 25.4	5	0	5	5.2	0	5.2	5.3	0	5.3		
25.6	Medical Care			0			0			0		
	Subtotal OC 25.6	0	0	0	0	0	0	0	0	0		
25.7	Operation/maintenance of equipment & storage of goods	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
25.7	ADP and telephone operation and maintenance costs	0.8		0.8	0.8		0.8	0.8		0.8		
25.7	Storage Services			0			0			0		
25.7	Office Furniture/Equip. Repair and Maintenance	3.2		3.2	3.3		3.3	3.4		3.4		
25.7	Vehicle Repair and Maintenance	3		3	3.1		3.1	3.2		3.2		
25.7	Residential Furniture/Equip. Repair and Maintenance	2		2	2.1		2.1	2.1		2.1		
	Subtotal OC 25.7	9	0	9	9.3	0	9.3	9.5	0	9.5		
25.8	Subsistence & spt. of persons (by contract or Gov't.)			0			0			0		
	Subtotal OC 25.8	0	0	0	0	0	0	0	0	0		

OPERATING EXPENSES

Org. Title: USAID/Caucasus-Azerbaijan Org. No: 112 OC	Overseas Mission Budgets										
	FY 2000 Estimate			FY 2001 Target			FY 2002 Target				
	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total		
26.0	Supplies and materials		3.1		3.1	3.2		3.2	3.2		3.2
	Subtotal OC 26.0		3.1	0	3.1	3.2	0	3.2	3.2	0	3.2
31.0	Equipment		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
31.0	Purchase of Residential Furniture/Equip.		3	0	3	8		8	1.1		1.1
31.0	Purchase of Office Furniture/Equip.		20		20	3		3	1.1		1.1
31.0	Purchase of Vehicles				0			0			0
31.0	Purchase of Printing/Graphics Equipment				0			0			0
31.0	ADP Hardware purchases		2.5		2.5	2.6		2.6	1.7		1.7
31.0	ADP Software purchases		1		1	1.4		1.4	1.1		1.1
	Subtotal OC 31.0		26.5	0	26.5	15	0	15	5	0	5
32.0	Lands and structures		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
32.0	Purchase of Land & Buildings (& bldg. construction)				0			0			0
32.0	Purchase of fixed equipment for buildings				0			0			0
32.0	Building Renovations/Alterations - Office				0			0			0
32.0	Building Renovations/Alterations - Residential				0			0			0
	Subtotal OC 32.0		0	0	0	0	0	0	0	0	0
42.0	Claims and indemnities				0			0			0
	Subtotal OC 42.0		0	0	0	0	0	0	0	0	0
TOTAL BUDGET			520	0	520	520	0	520	625	0	625

Additional Mandatory Information

Dollars Used for Local Currency Purchases	<u>28.7</u>	0	<u>29.7</u>	0	<u>30.5</u>	0
Exchange Rate Used in Computations	<u>4400</u>	_____	<u>4400</u>	_____	<u>4400</u>	_____

** If data are shown on either of these lines, you MUST submit the form showing deposits to and withdrawals from the FSN Voluntary Separation Fund.
 On that form, OE funded deposits must equal: 0 0 0

OPERATING EXPENSES

Org. Title: USAID/CAUCASUS- AZERBAIJAN		Overseas Mission Budgets								
Org. No: 112		FY 2000 Additional			FY 2001 Additional			FY 2002 Additional		
OC	E&E 2002 R4-Additional Request	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
11.1	Personnel compensation, full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.1	Base Pay & pymt. for annual leave balances - FNDH			0			0			0
	Subtotal OC 11.1	0	0	0	0	0	0	0	0	0
11.3	Personnel comp. - other than full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.3	Base Pay & pymt. for annual leave balances - FNDH			0			0			0
	Subtotal OC 11.3	0	0	0	0	0	0	0	0	0
11.5	Other personnel compensation	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.5	USDH			0			0			0
11.5	FNDH			0			0			0
	Subtotal OC 11.5	0	0	0	0	0	0	0	0	0
11.8	Special personal services payments	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.8	USPSC Salaries			0			0			0
11.8	FN PSC Salaries	11.4		11.4	37.9		37.9	41.7		41.7
11.8	IPA/Details-In/PASAs/RSSAs Salaries			0			0			0
	Subtotal OC 11.8	11.4	0	11.4	37.9	0	37.9	41.7	0	41.7
12.1	Personnel benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	USDH benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Educational Allowances			0			0	32.6		32.6
12.1	Cost of Living Allowances			0			0			0
12.1	Home Service Transfer Allowances			0			0			0
12.1	Quarters Allowances			0			0			0
12.1	Other Misc. USDH Benefits			0			0	1.5		1.5
12.1	FNDH Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	** Payments to FSN Voluntary Separation Fund - FNDH			0			0			0
12.1	Other FNDH Benefits			0			0			0
12.1	US PSC Benefits			0			0			0
12.1	FN PSC Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	** Payments to the FSN Voluntary Separation Fund - FN PSC			0			0			0
12.1	Other FN PSC Benefits	4.8		4.8	6.6		6.6	7.3		7.3
12.1	IPA/Detail-In/PASA/RSSA Benefits			0			0			0
	Subtotal OC 12.1	4.8	0	4.8	6.6	0	6.6	41.4	0	41.4

OPERATING EXPENSES

Org. Title: Org. No:		USAID/CAUCASUS- AZERBAIJAN 112	Overseas Mission Budgets								
			FY 2000 Additional			FY 2001 Additional			FY 2002 Additional		
OC	E&E 2002 R4-Additional Request		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
13.0	Benefits for former personnel		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	FNDH		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FNDH				0			0			0
13.0	Other Benefits for Former Personnel - FNDH				0			0			0
13.0	FN PSCs		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FN PSCs				0			0			0
13.0	Other Benefits for Former Personnel - FN PSCs				0			0			0
	Subtotal OC 13.0		0	0	0	0	0	0	0	0	0
21.0	Travel and transportation of persons		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Training Travel				0			0			0
21.0	Mandatory/Statutory Travel		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Post Assignment Travel - to field				0			0	7.8		7.8
21.0	Assignment to Washington Travel				0			0			0
21.0	Home Leave Travel				0			0			0
21.0	R & R Travel				0			0			0
21.0	Education Travel				0			0			0
21.0	Evacuation Travel				0			0			0
21.0	Retirement Travel				0			0			0
21.0	Pre-Employment Invitational Travel				0			0			0
21.0	Other Mandatory/Statutory Travel				0			0			0
21.0	Operational Travel		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Site Visits - Headquarters Personnel		4.2		4.2	8.7		8.7	8.9		8.9
21.0	Site Visits - Mission Personnel		1.2		1.2	2.5		2.5	2.5		2.5
21.0	Conferences/Seminars/Meetings/Retreats				0			0			0
21.0	Assessment Travel				0			0			0
21.0	Impact Evaluation Travel				0			0			0
21.0	Disaster Travel (to respond to specific disasters)				0			0			0
21.0	Recruitment Travel				0			0			0
21.0	Other Operational Travel				0			0			0
	Subtotal OC 21.0		5.4	0	5.4	11.2	0	11.2	19.2	0	19.2
22.0	Transportation of things		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22.0	Post assignment freight				0			0	26.5		26.5
22.0	Home Leave Freight				0			0			0
22.0	Retirement Freight				0			0			0
22.0	Transportation/Freight for Office Furniture/Equip.		31.5		31.5	1		1	1		1

OPERATING EXPENSES

Org. Title:		USAID/CAUCASUS- AZERBAIJAN			Overseas Mission Budgets								
Org. No:		112			FY 2000 Additional			FY 2001 Additional			FY 2002 Additional		
OC	E&E 2002 R4-Additional Request	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total			
22.0	Transportation/Freight for Res. Furniture/Equip.			0			0	5.3		5.3			
	Subtotal OC 22.0	31.5	0	31.5	1	0	1	32.8	0	32.8			
23.2	Rental payments to others	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line					
23.2	Rental Payments to Others - Office Space	150		150	154.5		154.5	159.1		159.1			
23.2	Rental Payments to Others - Warehouse Space			0			0			0			
23.2	Rental Payments to Others - Residences			0			0	57.3		57.3			
	Subtotal OC 23.2	150	0	150	154.5	0	154.5	216.4	0	216.4			
23.3	Communications, utilities, and miscellaneous charges	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line					
23.3	Office Utilities	2.5		2.5	10.3		10.3	10.6		10.6			
23.3	Residential Utilities			0			0	0.4		0.4			
23.3	Telephone Costs	1.3		1.3	5.2		5.2	5.3		5.3			
23.3	ADP Software Leases			0			0			0			
23.3	ADP Hardware Lease			0			0			0			
23.3	Commercial Time Sharing			0			0			0			
23.3	Postal Fees (Other than APO Mail)			0			0			0			
23.3	Other Mail Service Costs			0			0			0			
23.3	Courier Services			0			0			0			
	Subtotal OC 23.3	3.8	0	3.8	15.5	0	15.5	16.3	0	16.3			
24.0	Printing and Reproduction			0			0			0			
	Subtotal OC 24.0	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					
25.1	Studies, Analyses, & Evaluations			0			0			0			
25.1	Management & Professional Support Services			0			0			0			
25.1	Engineering & Technical Services			0			0			0			
	Subtotal OC 25.1	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					
25.2	Office Security Guards	12.6		12.6	49.7		49.7	51.2		51.2			
25.2	Residential Security Guard Services			0			0			0			
25.2	Official Residential Expenses			0			0			0			
25.2	Representation Allowances			0			0			0			
25.2	Non-Federal Audits			0			0			0			

OPERATING EXPENSES

Org. Title: Org. No: OC		USAID/CAUCASUS- AZERBAIJAN 112 E&E 2002 R4-Additional Request		Overseas Mission Budgets								
				FY 2000 Additional			FY 2001 Additional			FY 2002 Additional		
				Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
25.2	Grievances/Investigations			0			0			0		
25.2	Insurance and Vehicle Registration Fees			0			0			0		
25.2	Vehicle Rental			0			0			0		
25.2	Manpower Contracts			0			0			0		
25.2	Records Declassification & Other Records Services			0			0			0		
25.2	Recruiting activities			0			0			0		
25.2	Penalty Interest Payments			0			0			0		
25.2	Other Miscellaneous Services			0			0			0		
25.2	Staff training contracts			0			0			0		
25.2	ADP related contracts			0			0			0		
	Subtotal OC 25.2	12.6	0	12.6	49.7	0	49.7	51.2	0	51.2		
25.3	Purchase of goods and services from Government accounts	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
25.3	ICASS			0			0			0		
25.3	All Other Services from Other Gov't. accounts			0			0			0		
	Subtotal OC 25.3	0	0	0	0	0	0	0	0	0		
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				
25.4	Office building Maintenance	102.3		102.3	5.2		5.2	5.3		5.3		
25.4	Residential Building Maintenance			0			0	5.3		5.3		
	Subtotal OC 25.4	102.3	0	102.3	5.2	0	5.2	10.6	0	10.6		
25.6	Medical Care			0			0			0		
	Subtotal OC 25.6	0	0	0	0	0	0	0	0	0		
25.7	Operation/maintenance of equipment & storage of goods	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
25.7	ADP and telephone operation and maintenance costs	5		5	5.2		5.2	5.3		5.3		
25.7	Storage Services			0			0			0		
25.7	Office Furniture/Equip. Repair and Maintenance	3		3	3.1		3.1	3.2		3.2		
25.7	Vehicle Repair and Maintenance			0			0			0		
25.7	Residential Furniture/Equip. Repair and Maintenance			0			0			0		
	Subtotal OC 25.7	8	0	8	8.3	0	8.3	8.5	0	8.5		
25.8	Subsistence & spt. of persons (by contract or Gov't.)			0			0			0		
	Subtotal OC 25.8	0	0	0	0	0	0	0	0	0		

OPERATING EXPENSES

Org. Title:	USAID/CAUCASUS- AZERBAIJAN	Overseas Mission Budgets								
Org. No:	112	FY 2000 Additional			FY 2001 Additional			FY 2002 Additional		
OC	E&E 2002 R4-Additional Request	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
26.0	Supplies and materials	4.3		4.3	1		1	0.9		0.9
	Subtotal OC 26.0	4.3	0	4.3	1	0	1	0.9	0	0.9
31.0	Equipment	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
31.0	Purchase of Residential Furniture/Equip.			0			0	21.2		21.2
31.0	Purchase of Office Furniture/Equip.	58.5		58.5	3.8		3.8	9.2		9.2
31.0	Purchase of Vehicles			0			0			0
31.0	Purchase of Printing/Graphics Equipment			0			0			0
31.0	ADP Hardware purchases	37.4		37.4			0			0
31.0	ADP Software purchases	10		10	5.3		5.3	5.6		5.6
	Subtotal OC 31.0	105.9	0	105.9	9.1	0	9.1	36	0	36
32.0	Lands and structures	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
32.0	Purchase of Land & Buildings (& bldg. construction)			0			0			0
32.0	Purchase of fixed equipment for buildings			0			0			0
32.0	Building Renovations/Alterations - Office			0			0			0
32.0	Building Renovations/Alterations - Residential			0			0			0
	Subtotal OC 32.0	0	0	0	0	0	0	0	0	0
42.0	Claims and indemnities			0			0			0
	Subtotal OC 42.0	0	0	0	0	0	0	0	0	0
TOTAL BUDGET		440	0	440	300	0	300	475	0	475

Additional Mandatory Information

Dollars Used for Local Currency Purchases	<u>75</u>	<u>30</u>	<u>35</u>
Exchange Rate Used in Computations	<u>4400</u> _____	<u>4400</u> _____	<u>4400</u> _____

** If data are shown on either of these lines, you MUST submit the form showing deposits to and withdrawals from the FSN Voluntary Separation Fund.
 On that form, OE funded deposits must equal: 0 0 0

Workforce Tables

Org. USAID/Caucasus-Azerbaijan								Total SO/SpO	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	Legal	All Other	Total Mgmt.	Total Staff
End of year On-Board	SO 1	SO 2	SO 3	SO 4	SO 5	SpO1	SpO2									
FY 2000 Estimate																
OE Funded: 1/																
U.S. Direct Hire	1							1							1	2
Other U.S. Citizens								0							0	0
FSN/TCN Direct Hire								0							0	0
Other FSN/TCN								0	1		1				2	2
Subtotal	1	0	0	0	0	0	0	1	2	0	1	0	0	0	3	4
Program Funded 1/																
U.S. Citizens								0							0	0
FSNs/TCNs	1.4	0.6	2					4							0	4
Subtotal	1.4	0.6	2	0	0	0	0	4	0	0	0	0	0	0	0	4
Total Direct Workforce	2.4	0.6	2	0	0	0	0	5	2	0	1	0	0	0	3	8
TAACS								0							0	0
Fellows								0							0	0
IDIs								0							0	0
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL WORKFORCE	2.4	0.6	2	0	0	0	0	5	2	0	1	0	0	0	3	8

Workforce Tables

Org. USAID/Caucasus-Azerbaijan									Total	Org.	Fin.	Admin.	Con-	All	Total	Total	
End of year On-Board								SO/SpO	Mgmt.	Mgmt	Mgmt	tract	Legal	Other	Mgmt.	Staff	
FY 2001 Target	SO 1	SO 2	SO 3	SO 4	SO 5	SpO1	SpO2										
OE Funded: 1/																	
U.S. Direct Hire	1							1	1						1	2	
Other U.S. Citizens								0							0	0	
FSN/TCN Direct Hire								0							0	0	
Other FSN/TCN								0	1		1				2	2	
Subtotal	1	0	0	0	0	0	0	1	2	0	1	0	0	0	3	4	
Program Funded 1/																	
U.S. Citizens								0							0	0	
FSNs/TCNs	1.4	0.6	2					4							0	4	
Subtotal	1.4	0.6	2	0	0	0	0	4	0	0	0	0	0	0	0	4	
Total Direct Workforce	2.4	0.6	2	0	0	0	0	5	2	0	1	0	0	0	3	8	
TAACS								0							0	0	
Fellows								0							0	0	
IDIs								0							0	0	
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL WORKFORCE	2.4	0.6	2	0	0	0	0	5	2	0	1	0	0	0	3	8	

Workforce Tables

Org. USAID/Caucasus-Azerbaijan								Total SO/SpO Staff	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	All Legal	Other	Total Mgmt.	Total Staff
End of year On-Board	SO 1	SO 2	SO 3	SO 4	SO 5	SpO1	SpO2									
FY 2002 Target																
OE Funded: 1/																
U.S. Direct Hire	1							1							1	2
Other U.S. Citizens								0							0	0
FSN/TCN Direct Hire								0							0	0
Other FSN/TCN								0	1		1				2	2
Subtotal	1	0	0	0	0	0	0	1	2	0	1	0	0	0	3	4
Program Funded 1/																
U.S. Citizens								0							0	0
FSNs/TCNs	1.4	0.6	2					4							0	4
Subtotal	1.4	0.6	2	0	0	0	0	4	0	0	0	0	0	0	0	4
Total Direct Workforce	2.4	0.6	2	0	0	0	0	5	2	0	1	0	0	0	3	8
TAACS								0							0	0
Fellows								0							0	0
IDIs								0							0	0
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL WORKFORCE	2.4	0.6	2	0	0	0	0	5	2	0	1	0	0	0	3	8

USDH Staffing Requirements by Backstop, FY 2000 - FY 2003

Mission:	USAID/Caucasus, Azerbaijan
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Functional Backstop (BS)	Number of USDH Employees in Backstop in:			
	FY 2000	FY 2001	FY 2002	FY 2003
Senior Management				
SMG - 01	1	1	1	1
Program Management				
Program Mgt - 02				
Project Dvpm Officer - 94				
Support Management				
EXO - 03				
Controller - 04				
Legal - 85				
Commodity Mgt. - 92				
Contract Mgt. - 93				
Secretary - 05 & 07				
Sector Management				
Agriculture - 10 & 14				
Economics - 11				
Democracy - 12				
Food for Peace - 15				
Private Enterprise - 21	1	1	1	1
Engineering - 25				
Environment - 40 & 75				
Health/Pop. - 50				
Education - 60				
General Dvpm. - 12*				
RUDO, UE-funded - 40				
Total	2	2	2	2

*GDO - 12: for the rare case where an officer manages activities in several technical areas, none of which predominate, e.g., the officer manages Democracy, Health, and Environment activities that are about equal. An officer who manages primarily Health activities with some Democracy and Environment activities would be a Health Officer, BS 50.

remaining **IDIs**: list under the Functional Backstop for the work they do.

Please e-mail this worksheet in Excel to: Maribeth.Zankowski@HR.PPIM@aidw as well as include it with your R4 submission.

Organization: USAID/Caucasus-Azerbaijan

Foreign National Voluntary Separation Account									
Action	FY 2000			FY 2001			FY 2002		
	OE	Program	Total	OE	Program	Total	OE	Program	Total
Deposits			0.0			0.0			0.0
Withdrawals			0.0			0.0			0.0

Local Currency Trust Funds - Regular			
	FY 2000	FY 2001	FY 2002
Balance Start of Year			
Obligations			
Deposits			
Balance End of Year	0.0	0.0	0.0

Exchange Rate _____

Local Currency Trust Funds - Real Property			
	FY 2000	FY 2001	FY 2002
Balance Start of Year			
Obligations			
Deposits			
Balance End of Year	0.0	0.0	0.0

Exchange Rate _____

Supplemental Information Annexes

Annex 1 – Environmental Impact

There are no new or amended IEEs or EAs contemplated for the coming year.

USAID/Caucasus-Azerbaijan will determine whether an IIE, CE or EA should be done in conjunction with the USAID/Washington review of the proposed transitional Strategic Plan for Azerbaijan. In the interim, USAID will prepare an environmental analysis in accordance with CFR 216 and will assure the implementation of risk-minimization precautions prior to deliveries whenever appropriate, e.g., for commodity procurement and shelter rehabilitation. Azerbaijan is participating in a bio-diversity assessment undertaken by USAID/Caucasus.

Annex 2 - Updated Results Framework

USAID/Caucasus-Azerbaijan does not have an approved Results Framework. It will be submitting a three-year Strategic Plan for the USAID program in Azerbaijan to USAID/Washington in May 2000. The Results Framework for this plan will be made available when the plan has been approved.

Annex 3 – Global Climate Change

There are currently no USAID global climate change activities underway or proposed for Azerbaijan.

Annex 4 – E & E Detailed Budget Information

See Table contained in az02AnnexBud.XLS

USAID/Caucasus-Azerbaijan

R4 - FY 2002

Annex 4 - E E R4 Detailed Budget Information Table

SO	PROJECT / ACTIVITY	FY2000 OYB	FY2001 Plan	FY2002 Plan
3.1	110-0001 HUMANITARIAN RESPONSE	7,230,000	11,737,000	11,737,000
	1. Emergency Humanitarian Assistance			
	1.2 PVO Caucasus/Humanitarian Program	6,400,000	10,500,000	10,500,000
	AHAP MCI	6,400,000	10,500,000	10,500,000
	1.6 Multilateral Humanitarian Assistance	500,000	900,000	900,000
	UN Agencies	400,000	800,000	800,000
	WFP - Logistics Support	100,000	100,000	100,000
	2. Program Design & Support	330,000	337,000	337,000
	TBD	330,000	337,000	337,000
4.1	110-0004 HEALTH CARE	2,870,000	4,000,000	4,000,000
	1. Medical Partnerships	2,170,000	2,400,000	2,400,000
	Health Partnerships	2,170,000	2,400,000	2,400,000
	2. Vaccine and Pharm. Security	-	600,000	600,000
	UN Agencies (UNICEF)		600,000	600,000
	5. Women's Health/Family Planning	550,000	850,000	850,000
	Family Planning	100,000	500,000	500,000
	Maternal/Child Health - Other	450,000	350,000	350,000
	6. Program Design & Support	150,000	150,000	150,000
	TBD	150,000	150,000	150,000
1.3	110-0005 PRIVATE SECTOR	3,650,000	4,050,000	4,050,000
	7. Small and New Business	3,650,000	3,500,000	3,500,000
	SME Development	3,650,000	1,500,000	1,500,000
	SME Credit		2,000,000	2,000,000
	8. Program Design & Support	-	550,000	550,000
	TBD		550,000	550,000
1.3	110-0006 FOOD SYSTEMS	-	2,850,000	2,850,000
	3. Agri-Business Partnerships	-	2,200,000	2,200,000
	Inputs Supply		1,100,000	1,100,000
	Rural Credit		1,100,000	1,100,000
	5. Program Design & Support	-	650,000	650,000
	TBD		650,000	650,000
2.1	110-0007 DEMOCRACY & GOVERNANCE	4,250,000	10,250,000	10,250,000
	1. Political Processes	1,600,000	1,900,000	2,100,000
	NDI	500,000		
	IRI	350,000		
	Electoral Systems - IFES	750,000		
	CEPP		1,900,000	2,100,000
	2. Rule of Law	250,000	2,000,000	2,000,000
	ABA/CEELI	250,000		
	TBD		2,000,000	2,000,000
	3. Public Admin. / Local Government	-	3,000,000	2,400,000
	Local Governance - TBD		3,000,000	2,400,000
	4. Civil Society (PVO/NGO)	600,000	1,500,000	1,500,000
	NGO Development - ISAR	500,000	500,000	500,000
	Caspian Initiative - ISAR	100,000	1,000,000	1,000,000
	5. Independent Media	1,000,000	800,000	1,000,000
	Internews	1,000,000	800,000	1,000,000

USAID/Caucasus-Azerbaijan

R4 - FY 2002

Annex 4 - E E R4 Detailed Budget Information Table

SO	PROJECT / ACTIVITY	FY2000 OYB	FY2001 Plan	FY2002 Plan
	6. Admin/Tech Support	800,000	1,050,000	1,250,000
	TBD	800,000	1,050,000	1,250,000
1.3	110-0009 ECONOMIC RESTRUCTURING	-	6,113,000	6,113,000
	1. Fiscal Reforms	-	4,000,000	4,000,000
	Tax & Fiscal		2,000,000	2,000,000
	Banking Supervision		2,000,000	2,000,000
	3. Market Environment	-	1,500,000	1,500,000
	Economic Policy / Commercial Law		1,500,000	1,500,000
	4. Program Design & Support	-	613,000	613,000
	TBD		613,000	613,000
4.2	110-0010 EURASIA FOUNDATION	2,000,000	2,000,000	2,000,000
	Eurasia Foundation	2,000,000	2,000,000	2,000,000
4.2	110-0012 EXCHANGES AND TRAINING	1,000,000	3,000,000	3,000,000
	1. Participant Training	1,000,000	3,000,000	3,000,000
	Participant Training - AED	1,000,000	3,000,000	3,000,000
	USAID Total	21,000,000	44,000,000	44,000,000

	PERFORMANCE FUND	-		
	TRANSFERS	\$9,760,000		
	Public Diplomacy (EX-USIA)	5,000,000		
	Partnerships/Dem.Commis.	1,500,000		
	Exchanges	3,500,000		
	State Humanitarian Transport	1,600,000		
	Law Enforcement	100,000		
	DOC-BISNIS	60,000		
	Expanded Treat Reduction Assistance	3,000,000		
	Border Security/Export Control	1,000,000		
	Military/AMMO Relocation	2,000,000		
	GRAND TOTAL	30,760,000		

Annex 5 - Success Stories

Azerbaijan Success Stories are from the files of Mercy Corps International, manager of USAID's umbrella grant activities.

Family Planning Success

The International Rescue Committee's (IRC) Women's Groups collected and analyzed health information data from a monitored group of 1,753 women of reproductive age. The USAID-funded education activities and basic reproductive health services produced encouraging results, highlighted by the increased use of safe contraceptive methods in comparison with traditional family planning methods that included using no contraceptives or withdrawal. At the beginning of the program, 64% of women were using no contraceptive methods, and 33% were using withdrawal as the main family planning method. After one year of training, 38% of women were using condoms and 19% were using pills while those using no method decreased from 64% to 16%. This positive behavioral change resulting from reproductive health education can be reflected in the words of one very happy "statistic".

Gulya Aliyeva, a 22-year-old mother of two, stated: "Prior to the IRC Women and Health program, my future would be to have either more children or go through a series of abortions every year. Now I feel in control of my life because of the knowledge I have and the fact that I have access to contraceptives. I have more time for my family, and I know that my health is better because I have time to recover from past pregnancies. My husband, my children and I are a happier and healthier family now."

Shelter for Community of 60 Families

It had been several years of hardship for 48 Zangilan families who have been living in the Baylegan bus terminal after losing their homes due to ethnic conflict. In 1999, they were evicted by the bus terminal officials and had no shelter. They asked CARE for mud-brick homes. CARE initially turned them down, but once additional funds became available under a sub-grant extension, MCI and CARE staff visited Baylegan authorities to negotiate a land agreement that would house the adults and children of the Zangilan families. Today, 48 families have modest shelters of mud-brick homes, in a new community that has risen on the banks of the Baylegan Canal. Once threatened by homelessness due to ethnic conflict, these families were able to build their own homes with funding support from USAID.

Medical Center Serves as Model for Ministry of Health

In November 1999, the Azerbaijan Minister of Health, Ali Insanov, visited UMCOR's medical center in Agjabedi. Mr. Insanov became acquainted with the activities of the medical centers funded by USAID, including growth monitoring, a referral system, immunization, health education and a medicine tracking system. The Minister's visit was recorded and broadcast on State television along with an interview. Immediately following this visit, Azerbaijan's district health departments were instructed to study UMCOR's primary health care system funded by

USAID. The first seminar was organized at the Agjabedi medical center with the participation of health professionals from 21 district health departments. The Deputy Minister of Health, Adil Kerimov, stated at the seminar that "the work of the UMCOR Agjabedi medical point was among the best of all medical points in Azerbaijan." Additional seminars are to be organized for the representatives of other district health departments in the country. Thus, the USAID health activity served as a model with broad impact, helping to improve management and operations of medical centers not part of the original activity.

Real Savings from a Simple Planning Exercise

While most training programs can boast of an increase in knowledge and skills, the real test for business programs is to demonstrate a link between project inputs and the profitability of the individual business assisted. While interviewing a woman in Chalachangala village in Naxcivan to assess the impact of the ADRA training activities, the project team was pleasantly surprised to learn that she had saved \$80 in family expenses as a result of the ADRA business planning sessions. In a region of Azerbaijan with an average monthly income is \$75, these extra funds mean a lot to the individual and family. During the course of the last six months, the team had interviewed numerous clients to identify how the USAID-funded training improved the client's business. The majority of people cited increases in specific marketing and budgeting skills to be applied in mostly family-operated business activities. As with the woman from Chalachangala, other program participants expect to increase savings as a result of the business training funded by USAID

Community Leaders Welcome Food Processing Assistance

The Mercy Corps project team came to the Agdam Food Processing Line in Imamgulubayli to meet two representatives from the Agdam Executive Committee (Excom) in exile. The Agdam Food Processing Line is funded by a Mercy Corps sub-grant to the ACDI/VOCA Food Processing and Preservation project which aims at building on traditional food preservation skills and turning them into profitable businesses. Mercy Corps implements the larger umbrella grant on behalf of USAID. The Excom Representatives had learned about this program from the community and wanted to come in person to convey their gratitude. The Committee expressed appreciation to the Mercy Corps team for their assistance, especially for the type of activity supported. The Excom was pleased to see economic development in the region not merely through the distribution of free vegetable seeds but also through the concrete transfer of both technical and business skills and the investment in value-added production activities. The assistance did not come in the form of the traditional handout; rather it built on existing skills and tradition in the area, and succeeded in impacting the entire community. At the close of the meeting, the Excom pledged their support for this project and subsequently provided valuable assistance in navigating the bureaucratic registration process for the Agdam Food Processing Line business.