

The Challenge

USAID's program aims to assist the Government of Azerbaijan (GOAZ) to develop the non-oil sector and have a smooth transition to democratic rule. Currently, the greatest challenge is maintaining macro economic stability in the face of a surge of oil revenues. The key impediments are pervasive corruption, lack of capacity in the public sector, lack of market economy structures in government in order for the GOAZ to manage state revenues and develop the non-oil sector, and lack of an active citizenship culture. USAID is developing an anti-corruption component for each activity. Building capacity is supported through technical assistance and exchanges; automating systems to combat corruption and make efficient processes (i.e., creating a treasury system); assistance on capital budgeting; reforming policy and procedures on health sector financing; and working with the GOAZ Anti-Corruption Commission among other activities.

Objectives, Sectors and Workforce

Mission Director: Denny Robertson

MCA Status: Currently Not Eligible

PEPFAR Focus Country: No

Provided or Received Services From Other Missions: Received

Program Budget (Appropriations by Objective)

	FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07	2005 SO Performance Score	Direct SO Admin. Cost Ratio
112-0130 Development of Small and Medium Enterprises	10,807	11,000	13,670	11,088	2.6%	1.29	Exceeded
112-0210 Civil Society	5,900	9,350	7,600	6,154	4.3%	1.36	Exceeded
112-0310 Humanitarian Assistance	8,790	4,964	0	0	N/A	1.50	Exceeded
112-0320 Health	0	73	3,780	3,053	N/A	N/A	-0.00
112-0420 Cross-Cutting Programs	5,927	6,868	3,050	2,450	-58.7%		0.04
Transfer to Other US Government Agency	7,335	6,000	6,550	5,255	-28.4%		
PL 480 Title II not Allocated to a Strategic Objective	2,883	1,545	1,939		N/A		
Country Total	41,642	39,800	36,589	28,000	-32.8%		

Program Budget (Appropriations by Account)

	FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
Child Survival and Health Programs Fund	0	500	0	0	N/A
FREEDOM Support Act	38,759	37,755	34,650	28,000	-27.8%
PL 480 Title II	2,883	1,545	1,939	0	N/A
Total	41,642	39,800	36,589	28,000	-32.8%

Program Budget by Sector and Account

	FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
Agriculture and Environment FSA	4,599	5,832	3,814	4,589	-0.2%
Economic Growth FSA	12,518	10,530	13,631	9,496	-24.1%
Democracy and Governance FSA	11,593	15,876	12,499	10,059	-13.2%
Conflict Management / Humanitarian Assistance FSA	4,384	827	926	803	-81.7%
Family Planning / Reproductive Health CSH	0	500	0	0	N/A
FSA	2,095	1,602	1,159	1,350	-35.6%
HIV / AIDS FSA	0	0	17	0	N/A
Child Survival and Maternal Health FSA	2,771	3,088	2,552	1,703	-38.5%
Vulnerable Children FSA	799	0	0	0	N/A
Other Infectious Diseases FSA	0	0	52	0	N/A
PL 480 Title II not Allocated to a Sector	2,883	1,545	1,939		N/A
Total	41,642	39,800	36,589	28,000	-32.8%

Workforce

	FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07
US Direct Hires	3	1	2	2	-33.3%
US Non Direct Hires	6	5	6	5	-16.7%
Foreign Nationals	10	19	25	24	140.0%
Total	19	25	33	31	63.2%

Operating Expense

	FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
Salaries and benefits	0	0	237	237	N/A
Travel	0	0	71	71	N/A
Transportation of things	0	0	38	7	N/A
Rent	0	0	182	182	N/A
Security	0	0	3	3	N/A
Equipment	0	0	0	26	N/A
ICASS - Operating Expense only	0	0	245	250	N/A

Other Operating Expense	0	0	79	79	N/A
Total OE Budget	0	0	855	855	N/A
US direct hire salary and benefits	567	405	279	309	-45.5%
Program Funded Administrative Expenses				2,255	
Country Total Administrative Budget				3,419	
Percent of Bureau OE Total				2.2%	

Mission Summary

	FY 2004	FY 2005	FY 2006	FY 2007
Program per US Direct Hire (\$000)	13,881	39,800	18,295	14,000
Program per All US (\$000)	4,627	6,633	4,574	4,000
Program per Position (\$000)	2,192	1,592	1,109	903
Operating Expense as % of Program Funding				3.1%
Program Funded Admin Expense as % of Total Admin				66.0%
Total Admin Expense as % of Program Funding				12.2%

Other Major Donors:

Bilateral: Germany, United Kingdom

Multilateral: World Bank, International Monetary Fund, United Nations Development Program, United Nations Children's Fund, World Health Organization, United Nations High Commissioner for Refugees, European Bank for Reconstruction and Development, European Union, Asian Development Bank, Council of Europe, Organization for Security and Cooperation in Europe