

## The Challenge

Kazakhstan continues to enjoy robust economic growth; however, Kazakhstan is showing little inclination to embrace greater democracy. The December 4 presidential elections were a test of the Government's true commitment to democratic reform. While the Organization for Security and Cooperation in Europe noted some improvements in the electoral process, overall, international standards were not met. Development challenges include competitiveness and diversification, over-reliance on oil, rampant corruption, undermined rule of law and governance, and low investments in health and education. USAID will continue to improve the business environment for the growth of a middle class; help support more responsive financial institutions; enhance implementation of laws and regulations; help strengthen civil society and media; help reduce trafficking in persons; improve quality of primary health; reduce the spread of infectious diseases; and improve management of energy and water resources.

## Objectives, Sectors and Workforce

Mission Director: Chris Crowley

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
115-0131 Small and Medium Sized Enterprise Program	12,221	9,100	8,650	6,662	-45.5%	1.31	Exceeded
115-0161 Energy and Water	1,961	900	700	534	-72.8%	1.79	Exceeded
115-0211 Strengthened Democratic Culture	6,023	5,795	5,500	4,250	-29.4%	0.81	Not Met
115-0240 Conflict Prevention	398	0	0	0	N/A	1.18	Exceeded
115-0320 Health and Population	4,866	3,750	3,380	2,599	-46.6%	1.01	Met
115-0420 Cross-Cutting Programs	3,349	1,948	1,750	1,334	-60.2%		0.00
Transfer to Other US Government Agency	5,268	5,197	4,770	3,621	-31.3%		
<b>Country Total</b>	<b>34,086</b>	<b>26,690</b>	<b>24,750</b>	<b>19,000</b>	<b>-44.3%</b>		

### Program Budget (Appropriations by Account)

	FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
FREEDOM Support Act	34,086	26,690	24,750	19,000	-44.3%
<b>Total</b>	<b>34,086</b>	<b>26,690</b>	<b>24,750</b>	<b>19,000</b>	<b>-44.3%</b>

### 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	3,791	2,000	1,595	1,216	-67.9%
Higher Education & Training FSA	2,466	2,757	1,950	88	-96.4%
Economic Growth FSA	14,161	9,093	8,627	7,983	-43.6%
Human Rights FSA	144	330	680	242	68.1%
Democracy and Governance FSA	8,256	8,760	8,518	6,872	-16.8%
Conflict Management / Humanitarian Assistance FSA	398	0	0	0	N/A
Family Planning / Reproductive Health FSA	1,175	92	84	86	-92.7%
HIV / AIDS FSA	550	1,000	1,199	898	63.3%
Child Survival and Maternal Health FSA	2,965	1,624	1,223	1,051	-64.6%
Other Infectious Diseases FSA	180	1,034	874	564	213.3%
<b>Total</b>	<b>34,086</b>	<b>26,690</b>	<b>24,750</b>	<b>19,000</b>	<b>-44.3%</b>

\*This program is managed by USAID's Central Asia Republics Regional Mission. The workforce for that Mission is shown in the Central Asia Republics Regional program profile.

### Other Major Donors:

Bilateral: United Kingdom, Germany, Japan, Switzerland, Denmark, Canada, the Netherlands, MASHAV--the Israeli foreign assistance agency.

Multilateral: International Bank for Reconstruction and Development, U.N. Development Program, European Union, Asian Development Bank, Islamic Development Bank; European Bank for Reconstruction and Development; Global Fund to Fight AIDS, Tuberculosis, and Malaria, Open Society Institute, Organization for Security and Cooperation in Europe, International Federation of Red Cross and Red Crescent Societies.

## Kazakhstan PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2004 Actual	FY 2005 Actual	FY 2006 Current	FY 2007 Request
FREEDOM Support Act	34,086	26,690	24,750	19,000
<b>Total Program Funds</b>	<b>34,086</b>	<b>26,690</b>	<b>24,750</b>	<b>19,000</b>

STRATEGIC OBJECTIVE SUMMARY				
115-0131 Small and Medium Sized Enterprise Program				
FSA	12,221	9,100	8,650	6,662
115-0161 Energy and Water				
FSA	1,961	900	700	534
115-0211 Strengthened Democratic Culture				
FSA	6,023	5,795	5,500	4,250
115-0240 Conflict Prevention				
FSA	398	0	0	0
115-0320 Health and Population				
FSA	4,866	3,750	3,380	2,599
115-0420 Cross-Cutting Programs				
FSA	3,349	1,948	1,750	1,334
TRANSFER				
FSA	5,268	5,197	4,770	3,621

Mission Director,  
Chris Crowley

## Data Sheet

<b>USAID Mission:</b>	Kazakhstan
<b>Program Title:</b>	Small and Medium Sized Enterprise Program
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	115-0131
<b>Status:</b>	Continuing
<b>Planned FY 2006 Obligation:</b>	\$8,650,000 FSA
<b>Prior Year Unobligated:</b>	\$1,043,000 FSA
<b>Proposed FY 2007 Obligation:</b>	\$6,662,000 FSA
<b>Year of Initial Obligation:</b>	2001
<b>Estimated Year of Final Obligation:</b>	2007

**Summary:** USAID's program to improve the business environment for the growth of small and medium enterprises includes training and technical assistance to increase opportunities to obtain business information, knowledge, and skills; to support more responsive financial institutions, instruments, and markets; and to improve the implementation of laws and regulations. Overall USAID's approach seeks to broaden the benefits of growth to reduce income disparities.

### Inputs, Outputs, Activities:

#### FY 2006 Program:

Improve Economic Policy and the Business Environment (\$3,055,583 FSA, \$338,860 FSA carryover). USAID's Economic Policy Reform Project will continue to strengthen the capacity of the Parliament and its staff to conduct economic and policy analysis. USAID will assist the Ministry of Economy and Budget Planning (MEBP) to strengthen program budgeting capacity of MEBP and the line ministries. Work will continue with the Accounts Committee to bring public audits up to international standards over the next five years. USAID-funded consultants will advise the National Bank on monetary policy issues and help the Competition Agency to establish a more competitive market environment supportive of small and medium enterprise (SME) development. Assistance in intergovernmental fiscal finance will start in FY 2006. Principal contractor/grantee: Bearing Point (prime).

USAID's planned new Business Environment Improvement Project will work with business associations, governments, and other stakeholders to increase the effectiveness and sustainability of local institutions and partnerships in their pursuit of improving the business, trade, and legal environment. This work will lead to establishing effective local capacity to monitor the legal and regulatory environment and identify and reduce constraints to business operations, including trade. Principal contractor/grantee: to be determined (TBD) (prime).

Improve Private Sector Competitiveness (\$3,414,245 FSA, \$255,441 FSA carryover). USAID's Enterprise Development Project (EDP) will localize the Regional Trade Promotion network by training eight local partners throughout Kazakhstan and fully commercializing the e-commerce facility currently administered by the project. USAID will shift its work in the area of Small and Medium Enterprise (SME) development from firm-level assistance to strengthening local business service providers so as to increase competitiveness of Kazakhstan's SMEs. Future work will entail provision of technical assistance to SME support institutions within the Government of Kazakhstan, professional business associations, and the private sector. USAID will support implementation of International Financial Reporting Standards through increased sustainability of the professional certification program and professional accounting associations, to improve transparency and competitiveness of SMEs. Principal contractors/grantees: Pragma Corporation and TBD (primes).

Improve Quality of Workforce through Vocational/Technical Education (\$1,439,432 FSA, \$238,500 FSA carryover). USAID will improve the quality of business and economics education at the high school level. Principal contractor/grantee: TBD (prime).

USAID will continue to strengthen the quality of business and economics programs in higher education institutions by helping them to become more responsive to the needs of businesses, creating sustainable faculty development and advocacy mechanisms, and supporting educational institutions to move toward international standards. Principal contractor/grantee: Carana Corporation (prime).

Strengthen the Financial Services Sector and Increase Access to Capital (\$740,740 FSA, \$209,767 FSA carryover). USAID will continue to strengthen the capacity of local banks and microfinance institutions to provide financial services to micro and small entrepreneurs on a sustainable basis. Special attention will be given to expand services to rural areas. Limited support will be provided to the Financial Supervision Agency to strengthen consolidated supervision through the Economic Policy Reform Project. Principal contractors/grantees: Agricultural Cooperative Development International/Volunteers for Overseas Cooperative Assistance, Bearing Point, and TBD (primes).

**FY 2007 Program:**

Improve Economic Policy and the Business Environment (\$3,373,512 FSA). USAID's Economic Policy Reform Project will finalize its assistance to Parliament to strengthen its analytical capacity. USAID will continue assistance to MEBP to strengthen program budgeting capacity. Work will continue with the Government in public sector audits and competition policy. Further work will be conducted with business associations and national and local government bodies across Kazakhstan to improve the environment for businesses. USAID will initiate assistance in the area of local economic development through strategic partnerships between local government, the business community, and NGOs. Principal contractors/grantees: Bearing Point and TBD (primes).

Improve Private Sector Competitiveness (\$2,514,550 FSA). Support will be provided to expand opportunities for businesses to grow and become more competitive. USAID will continue its work on accounting reform. Principal contractors/grantees: TBD (primes).

Strengthen the Financial Services Sector and Increase Access to Capital (\$773,938 FSA). Continued assistance will be provided to the Financial Supervisory Agency and financial entities to improve financial markets. USAID will continue to support further expansion of access to finance for micro and small entrepreneurs through banks and/or microfinance institutions. Principal contractors/grantees: Bearing Point and TBD (primes).

**Performance and Results:** USAID's program assists small and medium enterprises to strengthen their competitiveness, supports policy and legal changes to improve the environment for doing business in Kazakhstan, and increases responsiveness of financial institutions and markets. Cumulative sales of the 496 firms assisted through the USAID firm-level assistance program reached \$564 million, or 1.4% of Kazakhstan's \$40.7 billion GDP in 2005. Since 2002, the USAID-supported Quality Management Center provided services to 72 clients of which 12 became fully ISO 9001 certified in FY 2005, bringing the total number of certified companies to 30 and creating over 1,000 new jobs. With the assistance of business advisors, 112 trade deals worth over \$19.7 million were completed during FY 2005. Training programs in a methodology to reduce investment constraints were provided to 13 government and non-government partners in 10 cities. Partners in eight cities successfully reduced constraints related to 20 processes that resulted in annual savings of more than \$10 million to local entrepreneurs. In FY 2005, mortgage lending surpassed \$1.4 billion, a \$580 million increase from the previous year. The issuances of mortgage backed securities increased to \$585 million, up from \$160 million one year ago. As a result of a USAID-funded loan officers' training program implemented by the European Bank for Reconstruction and Development, the cumulative outstanding micro and small lending portfolio grew by 65% to \$389 million, and the number of outstanding loans grew from 44,517 to 50,370. By program's end, small and medium enterprises will be more competitive, and reforms to the regulatory and legal environment will help foster their further development. Entrepreneurs will have greater access to credit, modern business skills, and up-to-date information and knowledge for existing enterprises and start-up businesses. There will be greater economic diversification and reduced disparity between urban and rural areas and across regions of Kazakhstan. Business associations will serve as an effective arm for policy change and be capable of providing quality services to their members. Kazakhstan will have the tools and improved capacity to conduct sound economic policy and the Government will become more accountable to the public.

## US Financing in Thousands of Dollars

Kazakhstan

115-0131 Small and Medium Sized Enterprise Program	FSA
<b>Through September 30, 2004</b>	
Obligations	38,764
Expenditures	30,139
Unliquidated	8,625
<b>Fiscal Year 2005</b>	
Obligations	9,100
Expenditures	0
<b>Through September 30, 2005</b>	
Obligations	47,864
Expenditures	30,139
Unliquidated	17,725
<b>Prior Year Unobligated Funds</b>	
Obligations	1,043
<b>Planned Fiscal Year 2006 NOA</b>	
Obligations	8,650
<b>Total Planned Fiscal Year 2006</b>	
Obligations	9,693
<b>Proposed Fiscal Year 2007 NOA</b>	
Obligations	6,662
Future Obligations	8,600
Est. Total Cost	72,819

## Data Sheet

<b>USAID Mission:</b>	Kazakhstan
<b>Program Title:</b>	Energy and Water
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	115-0161
<b>Status:</b>	Continuing
<b>Planned FY 2006 Obligation:</b>	\$700,000 FSA
<b>Prior Year Unobligated:</b>	\$739,000 FSA
<b>Proposed FY 2007 Obligation:</b>	\$534,000 FSA
<b>Year of Initial Obligation:</b>	2001
<b>Estimated Year of Final Obligation:</b>	2007

**Summary:** USAID's energy and water program is helping Kazakhstan improve economic policy and governance, increase private sector growth, and expand and improve access to economic and social infrastructure.

### Inputs, Outputs, Activities:

#### FY 2006 Program:

Improve Economic Policy and the Business Environment (\$700,000 FSA, \$588,902 FSA carryover). USAID will implement a Regional Energy Market Assistance Program (REMAP) to provide technical assistance for the development of an electricity market in Central Asia. REMAP has the following objectives: 1) establish a transparent, competitive electricity market in Central Asia; 2) increase electricity trade in Central Asia, making development of hydroelectricity resources financially feasible, thereby stimulating economic growth; 3) introduce market-based solutions for current and future regional disputes related to hydroelectricity facilities and reservoirs; and 4) build the capacity of regional electricity regulators to develop the electricity industry in the region, while protecting the interests of consumers. Principal contractor/grantee: to be determined (TBD) (prime).

Increase Agricultural Sector Productivity (\$150,000 FSA carryover). USAID will continue implementing a Water User Association Assistance Program (WUAAP) that will support the development of stronger and more sustainable civic organizations in the agricultural sector through a combination of enhanced technical assistance, training, and direct grant support based on the Civil Society Support Initiative (CSSI) management principles and experience gained by Counterpart International during the FY 2005 WUAAP implementation year. Principal contractor/grantee: Counterpart International (prime).

#### FY 2007 Program:

Improve Economic Policy and the Business Environment (\$534,000 FSA). USAID will continue to work with Kazakh authorities on bilateral and multilateral agreements that support the development of a regional energy market through REMAP. Principal contractor/grantee: TBD (prime).

**Performance and Results:** USAID recently completed installation of a unified communications network, utilizing meteor-burst technology, to enable the rapid distribution of critical, real-time weather and water resource information among participating countries in the region. Kazakhstan benefits by having access to critical data from neighboring countries, sharing with them a common database of information required for more effective national-level decision-making, and improved regional management of water resources. Twenty additional hydromet stations were purchased by the Government of Kazakhstan (GOK) for the Caspian Sea Region. These additional stations were procured without USAID involvement but are integrated into the USAID-funded system and represent an increase in the number of data collection systems in place. This commitment by the GOK to fund and maintain the water-data collection equipment represents an important step in the proactive management of the water resources of the country and indicates a positive change since the beginning of this program five years ago.

The multi-year Naryn Cascade Operation Planning Instrument was completed and agreed upon by regional and national organizations that are involved in operating hydropower stations on the Syr Darya

cascade. This management tool, which is linked to USAID-funded improved data monitoring and reporting systems, will diminish friction between the four countries and promote cooperation in water and energy management.

USAID successfully completed a collaborative project with the Israeli development assistance agency, MASHAV, in the Aral Sea wetlands region. The project focused on improving the fish industry, the primary occupation of inhabitants of the Syr Darya Delta Region. A demonstration project which was completed in FY 2004 was expanded and additional training was provided to improve its sustainability. That project, a rehabilitation of a fish hatchery used to produce fingerlings in sufficient quantities for the fresh water lakes and streams of the delta, is now operating successfully under the management of local specialists and maintenance costs are funded out of the budget of the GOK. A second component was also completed this past year when MASHAV/USAID co-funded improvements to a fish processing facility. The project was implemented in cooperation with a local NGO made up of fishermen. This is the largest self-sustaining NGO in Kazakhstan and the facility helps maintain the quality of its fish catch, most of which is marketed outside the region. As an indication of the NGO's commitment to the improvements funded by USAID, it took out a loan to co-finance equipment such as ice machines, freezers, processing equipment, and cooling trucks, all of which will increase the amount of fish sold on a year-round basis. Before these improvements, the fishermen could only market fish in the cold weather months. In conjunction with the facility upgrades, training was also provided on how to improve product quality, reach distant markets, and negotiate higher prices.

The water sector initiatives in Kazakhstan have focused on facilitating increased regional collaboration within Central Asia. This past year, USAID's Development Credit Authority concluded its first successful loan in the area of energy efficiency, in the amount of \$1,692,000. The borrower will upgrade the transmission lines of the national grid company, reducing losses and contributing to energy efficiency.

By program's end, conditions will have been created for increased electricity trade based on transparent, competitive market approaches. Water User Associations and other farmer groups will have been strengthened so that they are able to use advanced agriculture and water management practices, leading to higher crop productivity.

## US Financing in Thousands of Dollars

Kazakhstan

115-0161 Energy and Water	DCA	FSA
<b>Through September 30, 2004</b>		
Obligations	754	6,559
Expenditures	0	4,643
Unliquidated	754	1,916
<b>Fiscal Year 2005</b>		
Obligations	0	399
Expenditures	0	1,671
<b>Through September 30, 2005</b>		
Obligations	754	6,958
Expenditures	0	6,314
Unliquidated	754	644
<b>Prior Year Unobligated Funds</b>		
Obligations	0	739
<b>Planned Fiscal Year 2006 NOA</b>		
Obligations	0	700
<b>Total Planned Fiscal Year 2006</b>		
Obligations	0	1,439
<b>Proposed Fiscal Year 2007 NOA</b>		
Obligations	0	534
Future Obligations	0	1,000
Est. Total Cost	754	9,931



## Data Sheet

<b>USAID Mission:</b>	Kazakhstan
<b>Program Title:</b>	Strengthened Democratic Culture
<b>Pillar:</b>	Democracy, Conflict and Humanitarian Assistance
<b>Strategic Objective:</b>	115-0211
<b>Status:</b>	Continuing
<b>Planned FY 2006 Obligation:</b>	\$5,500,000 FSA
<b>Prior Year Unobligated:</b>	\$272,000 FSA
<b>Proposed FY 2007 Obligation:</b>	\$4,250,000 FSA
<b>Year of Initial Obligation:</b>	2001
<b>Estimated Year of Final Obligation:</b>	2007

**Summary:** USAID's democracy efforts build stronger and more sustainable civic organizations; increase the availability of objective information on public policy issues; and reduce trafficking in persons.

### Inputs, Outputs, Activities:

#### FY 2006 Program:

Establish and Ensure Media Freedom and Freedom of Information (\$1,441,379 FSA, \$25,000 FSA carryover). USAID will provide funding to increase legal advice available to journalists and media organizations and to expand the availability of objective non-partisan information. To address the restrictive environment for media operations, USAID will provide technical assistance to journalists through a local media support center staffed by attorneys with specialized expertise on international and Kazakh media legislation. USAID will also provide production assistance to independent television stations on the preparation of talk shows, news, and analysis. The best shows will be made available for rebroadcasting via satellite to participating television stations. Principal contractors/grantees: Freedom House (prime), American Bar Association Central European and Eurasian Law Initiative (sub), Internews (prime), and to be determined (TBD) (prime).

Reduce Trafficking In Persons (\$680,000 FSA, \$196,848 FSA carryover). To increase information on trafficking and to consolidate the network of victim service providers, USAID will fund telephone hotlines that provide information on trafficking, overseas employment, and available assistance. Funds will also support a crisis center for victims of labor exploitation and two shelters for female trafficking victims. USAID will also provide technical assistance to local NGOs to increase their institutional capacity and identify additional funding sources and training to health care workers on how to meet the special needs of trafficking victims. Principal contractor/grantee: International Organization for Migration (prime).

Strengthen Civil Society (\$2,125,980 FSA, \$50,000 FSA carryover). USAID will begin a new initiative working through an association of local non-governmental organizations (NGOs) to fund national-level advocacy campaigns on democracy issues. USAID will also provide technical assistance to NGOs to enable them to work with the private sector and national and local government organizations. This next generation of support will focus on a smaller sub-set of NGOs which are interested in promoting improvements in citizen interactions with the government and in institutional reforms leading to a more representative democratic system. Principal contractors/grantees: TBD (prime).

Strengthen Democratic Political Parties (\$396,582 FSA). USAID will provide training and technical assistance on organizational and platform development to all democratic parties. This will include working with both national-level party leadership, as well as with regionally-based party chapters, to strengthen the link between citizens and their representatives. Principal contractors/grantees: National Democratic Institute (prime) and International Republican Institute (prime).

Strengthen the Justice Sector (\$856,059 FSA). USAID will provide training and technical assistance to the media and the judiciary to promote fair reporting and information exchange, continue a pilot court recording project, and work with the Judicial Academy to train sitting judges and future judges in areas of ethics and decision writing. USAID will provide technical assistance to the Union of Judges on judicial

independence and self-policing of ethical violations. USAID will also finance a public outreach program to generate public demand for a more fair and transparent judicial system. Principal contractor/grantee: Chemonics (prime).

**FY 2007 Program:**

Establish and Ensure Media Freedom and Freedom of Information (\$1,748,455 FSA). USAID will provide legal advice to journalists and media organizations, as well as technical assistance for the production of news and other informational programming. Principal contractor/grantee: TBD (prime).

Reduce Trafficking In Persons (\$241,545 FSA). USAID will continue to provide funding to local organizations to meet the needs of trafficking victims, and expand technical assistance to these organizations to increase their sustainability. Principal grantee: International Organization for Migration (prime).

Strengthen Civil Society (\$2,260,000 FSA). USAID will provide financing for national-level advocacy and information campaigns led by local NGOs on democracy related issues to increase political debate and access to information. Principal contractor/grantee: TBD (prime).

**Performance and Results:** Despite a challenging environment, USAID programs were able to meet expectations over the last year. One of the most notable difficulties was increasing governmental interest in the operation of non-governmental organizations (NGOs), especially international NGOs. The Government of Kazakhstan passed restrictive national security amendments that limited political party activities; placed controls on the operation of public and religious associations; and required non-commercial organizations to publish an annual statement on activities, including their sources of funding, assets, and expenditures. Separate laws on the operation of NGOs were found to be unconstitutional, following an active advocacy campaign by more than 200 NGOs, including USAID partners and other international and local NGOs. Over the last year, the environment for media operations and the free flow of information has worsened, with increasing seizures of opposition newspapers, harassment of journalists, and difficulties with licensing and registration. Based on close coordination with the Government and active policy dialogue led by the Embassy, programs to reduce trafficking in persons exceeded expected results. The Government of Kazakhstan began implementation of a National Action Plan to fight trafficking, and aired public service announcements about trafficking on state television. In addition, Parliament passed improved regulations to facilitate the prosecution of traffickers. By program's end, there will be stronger and more sustainable civil society organizations; increased availability of objective information; a more transparent judiciary; and improved services for victims of trafficking.

## US Financing in Thousands of Dollars

Kazakhstan

115-0211 Strengthened Democratic Culture	FSA
<b>Through September 30, 2004</b>	
Obligations	18,938
Expenditures	13,300
Unliquidated	5,638
<b>Fiscal Year 2005</b>	
Obligations	5,795
Expenditures	0
<b>Through September 30, 2005</b>	
Obligations	24,733
Expenditures	13,300
Unliquidated	11,433
<b>Prior Year Unobligated Funds</b>	
Obligations	272
<b>Planned Fiscal Year 2006 NOA</b>	
Obligations	5,500
<b>Total Planned Fiscal Year 2006</b>	
Obligations	5,772
<b>Proposed Fiscal Year 2007 NOA</b>	
Obligations	4,250
Future Obligations	6,210
Est. Total Cost	40,965

## Data Sheet

<b>USAID Mission:</b>	Kazakhstan
<b>Program Title:</b>	Health and Population
<b>Pillar:</b>	Global Health
<b>Strategic Objective:</b>	115-0320
<b>Status:</b>	Continuing
<b>Planned FY 2006 Obligation:</b>	\$3,380,000 FSA
<b>Prior Year Unobligated:</b>	\$22,000 FSA
<b>Proposed FY 2007 Obligation:</b>	\$2,599,000 FSA
<b>Year of Initial Obligation:</b>	2001
<b>Estimated Year of Final Obligation:</b>	2007

**Summary:** USAID's quality primary health care (PHC) objective is helping Kazakhstan reform its health system in order to ensure utilization of quality, client-oriented, cost-effective primary health care services. USAID's program in Kazakhstan has a special focus on improving the quality of maternal, child, and reproductive health services. USAID provides essential technical assistance and support to the country's efforts to control infectious diseases like HIV/AIDS and tuberculosis (TB), with increasing efforts to reduce the spread of multi-drug resistant TB. Kazakhstan has demonstrated a commitment to collaborate with USAID programs to improve health outcomes.

### **Inputs, Outputs, Activities:**

#### **FY 2006 Program:**

Address Other Health Vulnerabilities (\$1,307,000 FSA, \$22,241 FSA carryover). USAID's health reform program, ZdravPlus II, will continue to support the Government of Kazakhstan (GOK) to increase utilization and quality of primary health care (PHC) services through the implementation of the National Health Reform Program. ZdravPlus II will provide technical assistance to the Ministry of Health (MOH) to increase equity among and efficiency of PHC centers. ZdravPlus II and the Ministry of Health will develop a national monitoring system to assess the quality and cost-efficiency of resource use in the health sector, and USAID will assist with the development of voluntary health insurance. ZdravPlus II will expand its safe motherhood pilots to two additional sites, increasing access to high quality prenatal, postnatal, and delivery care. A family planning component will be added to these pilots in order to decrease abortion rates. ZdravPlus II will continue to assist the Ministry of Health with designing clinical practice guidelines based upon international standards. The Global Development Alliance with ExxonMobil will conduct expanded trainings for PHC professionals on the integrated management of childhood illnesses. USAID will continue to support implementation of the World Health Organization (WHO)-recommended live birth definition. Principal contractors/grantees: Abt Associates (prime), Morehouse University School of Medicine (sub), John Snow Inc. (sub), Boston University (sub), Institute for Sustainable Communities (sub), and the U.S. Centers for Disease Control and Prevention (CDC) (prime).

Prevent and Control Infectious Diseases of Major Importance (\$874,000 FSA). CDC will continue to train Kazakh professionals through the Applied Epidemiology Training Program (AETP). CDC will strengthen tuberculosis (TB) surveillance through the use of epidemiological software to interpret TB data from the National TB Register. Laboratory quality assurance training will continue. USAID's TB Control Program will continue to support the Directly Observed Treatment, Short-course (DOTS) strategy through demonstration of best practices, and will work to strengthen surveillance systems, laboratory quality, and rational drug management. The TB Control Program will strengthen political support for effective TB control, build human and systems capacity, and raise community awareness. The USAID-supported National TB Training Center established at the Karaganda prison will support the establishment of DOTS programs for the country's prison population, and linkages between those systems and the civil TB control service. The TB Control Program will emphasize control of drug resistance and strategies to address HIV-TB co-infection. Principal contractors/grantees: CDC (prime), Project HOPE (prime), Johns Hopkins University Bloomberg School of Public Health (sub), John Snow Inc. (sub), New Jersey Medical School National TB Center (sub), Chemonics International (sub), and CAMRIS International (sub).

Reduce Transmission and Impact Of HIV/AIDS (\$1,199,000 FSA). Through the Central Asian Program on AIDS Control and Intervention Targeting Youth and High-Risk Groups (CAPACITY), USAID will continue to assist the Government of Kazakhstan with implementation of its HIV grant from the Global Fund to Fight AIDS, TB, and Malaria. The project will also increase the capacity of local non-governmental organizations and will leverage the resources of the regional HIV projects funded by the World Bank and the British Department for International Development. CAPACITY will provide training to health professionals to improve counseling, testing, and antiretroviral treatment skills. USAID will improve resource use through integration of HIV/AIDS services into the overall health system. CDC will continue training officials to use data from HIV sentinel surveillance. Principal contractors/grantees: John Snow Inc. (prime), Population Services International (sub), Abt Associates (sub), International HIV/AIDS Alliance (sub), Howard University (sub), and CDC (prime).

**FY 2007 Program:**

Address Other Health Vulnerabilities (\$1,137,000 FSA). ZdravPlus II will continue its support for Kazakhstan's National Health Reform and Development Program. ZdravPlus II also will develop the framework for paid health services to allow more flexibility for health centers to manage their own resources. Safe motherhood pilots will be expanded to additional districts, and data collected from the family planning components of these pilots will be used to advocate for reduced abortion rates. USAID will support implementation of the World Health Organization-recommended live birth definition at the national level. Principal contractors/grantees: same implementers as above; additional contractors/grantees to be determined (TBD).

Prevent and Control Infectious Diseases of Major Importance (\$564,000 FSA). CDC will continue AETP to support the Ministry of Health with investigation of infectious disease outbreaks through a trained cadre of public health epidemiologists. CDC will strengthen surveillance for TB through the expanded use of epidemiological software for interpreting National TB Register data. The TB Control Program will support the establishment and function of a sustainable training system. USAID's TB Control and CAPACITY programs will work together to reduce HIV and TB co-infection. Principal contractors/grantees: same implementers as above; additional contractors/grantees TBD.

Reduce Transmission and Impact of HIV/AIDS (\$898,000 FSA). CAPACITY will continue to strengthen implementation of the national strategy to prevent and control HIV/AIDS. USAID's inter-agency agreement with CDC will be extended to intensify and extend efforts on HIV sentinel surveillance training. Principal contractors/grantees: same implementers as above; additional contractors/grantees TBD.

**Performance and Results:** Building on the Government of Kazakhstan's increased commitment to health reform, USAID made important steps to increase the quality, equity, and efficiency of the health system. USAID programs introduced evidence-based medical practices, improved medical and nursing education, and addressed infant, child, and maternal health issues. USAID's health reform program exceeded its target for the percentage of outpatient visits in primary health care clinics, indicating that service delivery and quality improvement interventions are taking effect. The Government has demonstrated its strong commitment to improve the health system by increasing health expenditures steadily since 2001, from 1.97% to 3.06% of the GDP. USAID's policy work with the Government improved equity in health care: the ratio of per capita health spending between rich and poor oblasts has decreased from 4.85 to 2.09 over the past five years. Technical assistance enabled the country to produce valid, scientifically-sound surveillance data on the status of the HIV/AIDS epidemic, while the TB Program demonstrated progress, with an 8% decrease in mortality rates and a 3.8% decrease in incidence rates. USAID's technical assistance on TB control in Kazakhstan's penitentiary system led to a decrease in TB mortality and incidence among prisoners by 20%, respectively, since 2003. With USAID support, Kazakhstan's Ministry of Health has piloted a model program on prevention of mother to child transmission of HIV/AIDS in four sites. Data reported to date indicates that the rate of HIV prophylactic treatment for mothers increased from 44% to 83%, and that treatment for newborns increased from 21% to 76%. By program's end, these activities will help Kazakhstan to reform its health system in order to ensure utilization of quality, cost-effective primary health care services, and to control existing HIV/AIDS and TB epidemics.

## US Financing in Thousands of Dollars

Kazakhstan

115-0320 Health and Population	CSH	ESF	FSA
<b>Through September 30, 2004</b>			
Obligations	0	997	48,021
Expenditures	0	997	41,894
Unliquidated	0	0	6,127
<b>Fiscal Year 2005</b>			
Obligations	2,000	0	4,967
Expenditures	389	0	6,558
<b>Through September 30, 2005</b>			
Obligations	2,000	997	52,988
Expenditures	389	997	48,452
Unliquidated	1,611	0	4,536
<b>Prior Year Unobligated Funds</b>			
Obligations	0	0	22
<b>Planned Fiscal Year 2006 NOA</b>			
Obligations	0	0	3,380
<b>Total Planned Fiscal Year 2006</b>			
Obligations	0	0	3,402
<b>Proposed Fiscal Year 2007 NOA</b>			
Obligations	0	0	2,599
Future Obligations	0	0	4,240
Est. Total Cost	2,000	997	63,229

## Data Sheet

<b>USAID Mission:</b>	Kazakhstan
<b>Program Title:</b>	Cross-Cutting Programs
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	115-0420
<b>Status:</b>	Continuing
<b>Planned FY 2006 Obligation:</b>	\$1,750,000 FSA
<b>Prior Year Unobligated:</b>	\$587,000 FSA
<b>Proposed FY 2007 Obligation:</b>	\$1,334,000 FSA
<b>Year of Initial Obligation:</b>	2001
<b>Estimated Year of Final Obligation:</b>	2007

**Summary:** The cross-cutting programs support all of USAID's strategic objectives, and include four main components: training to support USAID's technical assistance programs; grant-making assistance provided by the Eurasia Foundation to indigenous non-governmental organizations (NGOs); exchanges under the Community Connections Program to enhance public diplomacy; and program development support for cross-cutting evaluations, technical assistance, management needs, public outreach, and incorporation of perspectives from religious leaders into programming.

### **Inputs, Outputs, Activities:**

#### **FY 2006 Program:**

Program Support (\$1,750,000 FSA, \$583,753 FSA carryover, \$3,106 FSA prior year recoveries).

**Participant Training Program:** USAID will continue participant training to complement ongoing technical assistance in the following areas: improved environment for growth of small and medium enterprises, enhanced trade through cross-border opportunities, strengthened democratic culture, improved management of critical natural resources, increased utilization of quality primary health care, sources of conflict mitigated in target communities, and quality of education improved. Of particular note, in spring 2006, a conference will be organized with training resources to bring together religious leaders from across the region to discuss religious extremism. More than 2,000 participants will be trained through participant training activities in Kazakhstan during FY 2006. USAID support will include implementation of activities under a pilot Human and Institutional Capacity Development activity with the Accounts Committee of Kazakhstan. Through this activity, USAID will implement solutions to improve the organizational performance of this important audit institution. Principal contractor/grantee: Academy for Educational Development (prime).

**Community Connections:** USAID will begin implementation of the Community Connections Program, a public diplomacy initiative previously funded by the State Department. Through the program, approximately 50 Kazakh citizens per year will participate in exchanges to promote mutual understanding between the United States and Kazakhstan through exposure to U.S. society and personal connections with Americans. This program will help achieve U.S. Government priorities in Kazakhstan by targeting professional groups and individual entrepreneurs that are central to economic and democratic reform. Exchange programs will last from 3-5 weeks and will be tailored to the individual needs of participants. Principal contractors/grantees: World Learning (prime) and American Councils for Int'l Education (sub).

**Eurasia Foundation:** The Eurasia Foundation will target approximately 20 NGOs that contribute to private sector development and civil society strengthening through small grants. The NGOs will also benefit from institutional strengthening through intensive planning, reporting, and financial management training. In particular, in FY 2006, Eurasia Foundation will continue to support ecotourism and will begin a new program aimed at improving the quality of crafts and marketing skills of Kazakh artisans. In support of the latter, Eurasia Foundation will help to establish a National Crafts Council to coordinate and promote Kazakh artists both nationally and internationally. Principal contractor/grantee: Eurasia Foundation (prime).

Program Support: A wide range of program support will continue to be funded, including evaluations, technical assistance, management needs, public outreach, and staff costs. As required, funding will enable USAID to take advantage of unanticipated opportunities to advance or reinforce USAID strategic objectives. Furthermore, USAID/CAR will expand outreach efforts to engage traditional religious leaders in the region. The goal of this initiative is to better inform religious leaders about USAID programs and to bridge the gap with traditional community leaders whose views, in the past, have not generally been incorporated into USAID programmatic decision making. In accomplishing this goal, USAID will conduct tours of its programs for religious leaders and the media, hold regular representational events with religious leaders, and work with technical assistance providers to incorporate religious leaders into development activities. Principal contractor/grantee: N/A.

**FY 2007 Program:**

Program Support (\$1,334,000 FSA).

Community Connections: USAID will continue the Community Connections Program, providing both professionals and businessmen with the opportunity to learn about U.S. society while enhancing their knowledge in areas of expertise. Approximately 50 Kazakh citizens will participate in the program during FY 2007. Principal contractors/grantees: World Learning (prime) and American Councils for International Education (sub).

Eurasia Foundation: The Eurasia Foundation will continue to provide grants and institutional strengthening on an open-door basis to approximately 20 NGOs in Kazakhstan that work in the sectors of private enterprise development, civil society strengthening, and public administration. Principal contractor/grantee: Eurasia Foundation (prime).

Program Support: A wide range of program and personnel support activities will continue. As required, funding will enable USAID to support unanticipated opportunities to advance or reinforce USAID objectives. Additionally, religious outreach efforts will continue and be expanded, through tours for and representational events with religious leaders. Principal contractor/grantee: N/A.

**Performance and Results:** In FY 2005, USAID trained over 1,900 Kazakh citizens (approximately 60% women) through its Participant Training Program. Programs in the democracy sector focused on the development of an active civil society through training related to NGO development and civic education. In the economic reform sector, training focused on the creation of a favorable environment for SMEs. In the field of natural resources, training programs addressed land reform and assisted farmers in understanding the new land code. Programs in the health sector centered around health care finance (i.e., implementation of the single payer system) and tuberculosis prevention and control in the prison system.

In addition, in FY 2005, USAID began implementing a pilot Human and Institutional Capacity Development program with the Accounts Committee of Kazakhstan, the supreme auditing institution in the country. Through the program, performance gaps within the Accounts Committee are being addressed through a variety of interventions, with the ultimate goal of assisting the organization to become more responsible to its constituents through more effective audits. By conducting more effective audits, government expenditures will be accounted for more accurately, thereby helping to eliminate corruption.

Eurasia Foundation provided approximately \$800,000 in USAID-funded technical assistance to approximately 28 local institutions in FY 2005. During the fiscal year, the Eurasia Foundation succeeded in augmenting USAID funding with more than \$990,000 in leveraged funds from 15 non-USG donors in Kazakhstan. The Eurasia Foundation also moved closer to establishing the Eurasia Foundation of Central Asia, an independent, local foundation that will be launched in February 2006, as a means of continuing Eurasia Foundation activities in Kazakhstan after core USAID funding ends.



## US Financing in Thousands of Dollars

Kazakhstan

	ESF	FSA
115-0420 Cross-Cutting Programs		
<b>Through September 30, 2004</b>		
Obligations	279	30,785
Expenditures	279	28,429
Unliquidated	0	2,356
<b>Fiscal Year 2005</b>		
Obligations	0	3,091
Expenditures	0	3,949
<b>Through September 30, 2005</b>		
Obligations	279	33,876
Expenditures	279	32,378
Unliquidated	0	1,498
<b>Prior Year Unobligated Funds</b>		
Obligations	0	587
<b>Planned Fiscal Year 2006 NOA</b>		
Obligations	0	1,750
<b>Total Planned Fiscal Year 2006</b>		
Obligations	0	2,337
<b>Proposed Fiscal Year 2007 NOA</b>		
Obligations	0	1,334
Future Obligations	0	1,750
Est. Total Cost	279	39,297