

Data Sheet

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

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