

## The Challenge

USAID is supporting the transition from a centralized non-democratic economy towards a prosperous democratic market economy with membership in Euro-Atlantic Institutions. Weak institutions, corruption, and numerous government changes, combined with the fact that the benefits of a market economy have not yet materialized for much of the population, present obstacles for reform. Attention is further diverted by the status of Kosovo and the State Union of Serbia and Montenegro, and lack of compliance with the International Criminal Tribunal for the Former Yugoslavia (ICTY). In this context, USAID has integrated democracy and economic programs across assistance themes to achieve a greater aggregate impact. USAID works both at the national and municipal levels to support economic reforms, to improve governance and the rule of law, and to fuel private sector growth. This work will be complemented by assistance to improve democratic structures and conditions in select vulnerable areas.

## Objectives, Sectors and Workforce

Mission Director: Keith Simmons

MCA Status: Not a Candidate

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
169-0130 Economic Policy and Finance	9,370	19,750	0	0	N/A	1.17	Exceeded
169-0131 Economic Policy and Governance	0	0	12,920	15,500	N/A	N/A	N/A
169-0132 Local Economic Growth	0	0	30,945	25,882	N/A	N/A	N/A
169-0200 Democracy and Governance	12,650	6,050	0	0	N/A	0.98	Met
169-0210 Community Development and Local Governance	49,410	31,900	0	0	N/A	1.24	Exceeded
169-0211 Democracy and Economic Security	0	0	11,300	7,971	N/A	N/A	N/A
169-0420 Cross-Cutting Programs	2,959	3,000	2,600	2,327	-21.4%		0.28
Transfer to Other US Government Agency	24,580	12,900	11,535	10,320	-58.0%		
<b>Country Total</b>	<b>98,969</b>	<b>73,600</b>	<b>69,300</b>	<b>62,000</b>	<b>-37.4%</b>		

### Program Budget (Appropriations by Account)

	FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
Asst. for E. Europe and the Baltic States	98,969	73,600	69,300	62,000	-37.4%
<b>Total</b>	<b>98,969</b>	<b>73,600</b>	<b>69,300</b>	<b>62,000</b>	<b>-37.4%</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 AEEB	2,300	2,471	2,385	2,000	-13.0%
Economic Growth AEEB	11,604	49,887	53,710	45,153	289.1%
Human Rights AEEB	1,300	300	0	0	N/A
Democracy and Governance AEEB	75,551	20,767	12,705	14,847	-80.3%
Conflict Management / Humanitarian Assistance AEEB	6,714	175	500	0	N/A
Family Planning / Reproductive Health AEEB	1,500	0	0	0	N/A
<b>Total</b>	<b>98,969</b>	<b>73,600</b>	<b>69,300</b>	<b>62,000</b>	<b>-37.4%</b>

### Workforce

	FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07
US Direct Hires	5	10	11	11	120.0%
US Non Direct Hires	6	4	6	5	-16.7%
Foreign Nationals	53	51	62	62	17.0%
<b>Total</b>	<b>64</b>	<b>65</b>	<b>79</b>	<b>78</b>	<b>21.9%</b>

### Operating Expense

	FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
Salaries and benefits	1,115	1,115	1,379	1,326	18.9%
Travel	289	376	226	226	-21.8%
Transportation of things	154	84	29	29	-81.2%
Rent	309	457	348	348	12.6%
Security	30	58	60	60	100.0%
Equipment	314	178	59	59	-81.2%
ICASS - Operating Expense only	739	836	817	870	17.7%
Other Operating Expense	347	536	182	182	-47.6%
<b>Total OE Budget</b>	<b>3,297</b>	<b>3,640</b>	<b>3,100</b>	<b>3,100</b>	<b>-6.0%</b>
US direct hire salary and benefits	897	1,255	1,153	1,278	42.5%
Program Funded Administrative Expenses				1,576	
<b>Country Total Administrative Budget</b>				<b>5,954</b>	
<b>Percent of Bureau OE Total</b>				<b>8.0%</b>	

**Mission Summary**

	FY 2004	FY 2005	FY 2006	FY 2007
Program per US Direct Hire (\$000)	19,794	7,360	6,300	5,636
Program per All US (\$000)	8,997	5,257	4,076	3,875
Program per Position (\$000)	1,546	1,132	877	795
Operating Expense as % of Program Funding				5.0%
Program Funded Admin Expense as % of Total Admin				26.5%
Total Admin Expense as % of Program Funding				9.6%

**Other Major Donors:**

Bilateral: Germany, Sweden, Canada, United Kingdom

Multilateral: European Agency for Reconstruction (EAR), European Bank for Reconstruction and Development, the World Bank, the International Monetary Fund, the Organization for Security and Cooperation in Europe, United Nations Development Program.