

Croatia

The Development Challenge: Croatia has made significant, if still fragile, progress toward macroeconomic stability, growth, and strengthening of democratic institutions. Croatia's advancement toward integration into regional and Euro-Atlantic institutions and developing positive relations with other states in Southeast Europe is essential to achieving U.S. foreign policy goals of improving regional stability in the Balkans and managing transnational threats.

Recent parliamentary elections witnessed the reemergence of the Croatian Democratic Union (HDZ), the same political party that voters rejected in elections in January 2000 for its corrupt, nationalist policies that led to Croatia's isolation. The next Croatian government will be led by the HDZ, which captured a majority of the parliamentary seats, making it the only party able to form a coalition government. During nearly four years in opposition, the HDZ went through significant internal changes that it claims have transformed it into a responsible, democratic party capable of continuing reform efforts in Croatia. These assertions are untested, however, and the HDZ has not participated in some of the national-level democratic reform processes supported by U.S. assistance in the past three years. The most important task of USAID will be to consolidate these reforms and to convince the new government that it is in its interest to continue to work toward building Croatia's civil society.

Two of the leading challenges facing the new government are judicial reform and reintegration of refugees, both top conditionalities for European Union (EU) accession. Croatia's judiciary continues to lag behind other areas of democratic development, and lack of progress in judicial reform is hampering Croatia's economic development. Civil cases can take years to come to trial. Inefficient courts, untrained jurists and outdated, often contradictory, legislation led to huge case backlogs, predominantly in civil courts.

Progress toward re-integrating Croatia's ethnic Serb minority displaced by the war was irregular and disappointing. Although the Government announced a series of measures aimed at encouraging the return of refugees and the restitution of their property, implementation lagged far behind expectations. One bright spot, however, was the passage of the new Constitutional Law on National Minorities, which gave minorities a new level of representation at both the local and national levels.

The USAID Program: USAID's program continues to be an integral tool in achieving U.S. national interests. SEED assistance resources enable the U.S. to support and, in some cases, accelerate Croatia's successful transition from Communism and the legacy of ethnic war. USAID programs are aimed at ensuring that Croatia develops a fully democratic society and productive market-oriented economy that will serve as a cornerstone for peace and stability in Southeast Europe while promoting Croatia's aspirations for membership in NATO and the EU.

USAID funds in FY 2004 and FY 2005 will be used to assist Croatia in accomplishing these goals. Economic programs will address small and medium enterprises (SME) and agribusiness development, improve the investment climate by accelerating the privatization process, and support the development of a competitive energy sector and energy-sharing agreements between Croatia and its neighbors. Democracy activities will concentrate on local government reform, strengthening non-governmental organizations (NGOs), political party and legislative strengthening, judicial reform, and anti-trafficking in persons. Refugee return and reintegration interventions will continue to revitalize the economic sector in the war-affected regions. Social sector programs will strengthen Croatia's pension reform and social dialogue programs.

Based on the results of a SEED assistance review last year that confirmed Croatia will be ready to graduate from SEED assistance, with the last year of funding in FY 2006, USAID's portfolio will be consolidated from the current four Strategic Objectives to two. To maximize Croatia's likelihood of achieving sustainable reforms comparable to Northern Tier countries at graduation, economic reform, good governance, and civil society will be the focus in FY 2005. The specific activities to be funded by FY 2004 and FY 2005 appropriations are described in more detail in the following Program Data Sheets.

USAID's existing program to accelerate the return and reintegration of war-affected populations, will end as planned in 2004. USAID assistance will continue to target resources within its economic and democracy programs through FY 2006 to improve economic opportunities in war-affected communities and improve the environment for returnees. USAID's program for mitigating adverse social conditions and trends will end in September 2004. Social sector activities that merit continued support will be merged into the main program. U.S. transnational concerns regarding vulnerable groups, such as Anti-Trafficking in Persons, will be integrated into the democracy strategic objective through FY 2006.

Other Program Elements: USAID's Regional Infrastructure Program (RIP) provides assistance to targeted Croatian cities in developing private sector participation in the provision of local utility services. RIP seeks to attract private investment to finance capital improvements to local infrastructure such as water facilities. The Small Enterprise Assistance Fund (SEAF) provides early-stage financing and expansion capital to SMEs in Croatia through equity investments in those companies and is part of the Trans Balkan Fund. RiskNet, the Southeast Europe Regional HIV/AIDS Prevention Project, increases outreach activities for HIV prevention among vulnerable populations. The Balkan Children Youth Foundation provides capacity building assistance to youth groups to enhance their service-delivery skills and sustainability. The Balkan Trust for Democracy raises youth and policymaker's awareness of the role non-governmental youth organizations play in civil society through a series of workshops and seminars to be held throughout Croatia.

Other Donors: As U.S. resources decline, EU and international financial institution (IFI) programs are increasing significantly to support harmonization of Croatian laws and policies with the EU. Croatia sees its future in EU membership, both in political terms and as the engine for future economic growth. This is a key underlying principle of USAID's graduation strategy, including its timeline and recommended funding levels.

USAID has made progress with the Commission and EU member state donors (as well as the IFIs) in ensuring programs and long-term visions are complementary and reinforcing. For example, collaboration on a common case-management system for the Croatian courts facilitated a real step forward by the GOC toward improved judicial efficiency. USAID has been able to achieve similar excellent cooperation on police assistance and refugee-return programs and see it evolving in other program areas as well.

Data Sheet

USAID Mission:	Croatia
Program Title:	Growth of a Dynamic & Competitive Private Sector
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	160-0130
Proposed FY 2004 Obligation:	\$9,935,000 AEEB
Prior Year Unobligated:	\$1,948,000 AEEB
Proposed FY 2005 Obligation:	\$8,735,000 AEEB
Year of Initial Obligation:	FY2001
Year of Final Obligation:	FY 2007

Summary: USAID's program to support economic development is focused on establishing the conditions to generate private sector employment. USAID programs are assisting Croatian businesses, especially small and medium enterprises (SMEs), to acquire the skills, tools, financing, and services needed for them to compete in local, regional and global markets. USAID programs are working directly with farmers, producer organizations, processors and other market actors to raise the competitiveness of the Croatian agricultural sector in order to compete in national and international markets. Finally, USAID programs are working to improve the investment climate by accelerating the privatization process and supporting the development of a competitive and well-regulated energy sector by strengthening the independent energy regulatory authorities and assisting the national electrical utility with its restructuring and modernization.

Inputs, Outputs, Activities:

FY 2004 Program:

Small and medium enterprise development (\$7,320,000 AEEB, \$1,748,000 AEEB carryover). In order to stimulate private enterprise productivity and profitability, USAID will continue to support the Croatian Enterprise Promotion (CEP) activity. The activity concentrates on improving the quality and exportability of products and services originating in Croatian SMEs. CEP will expand to include a program to enhance business consultants' capability through practicum assignments in 4 business sectors: ag-processing, large scale tourism, small hotels, and wood products. Practicum assignments place a small team of consultants in an enterprise focused on a specific business improvement task. Contractor: Deloitte, Touche Tohmatsu (prime)

The Mission is putting in place a major new SME development activity that will accelerate job creation through improved business performance, and increased incomes in economically distressed areas. These objectives will be achieved through technical assistance to business associations and business clusters that help them improve enterprise efficiency, reduce costs, and improve market access. The Mission is also focusing on improving SME access to finance by participating with lending institutions to create new products and improve and simplify the loan application process for SMEs. A small component of this program will include policy advice to the Croatian Government in pursuing economic reform that creates an improved environment for SME development. Anticipated results from this activity are 20,000 new jobs created, 4,000 SMEs with increased revenue and exports, and a banking sector that is more responsive to small and medium business needs. Implementer to be determined.

Agricultural productivity and markets (\$1,569,000 AEEB). USAID assistance will continue to focus on market linkages between producers and distribution channels, but this year the program will extend to increasing employment and incomes in economically distressed areas of Croatia. Focus areas include increased agricultural production, the development of farmer organizations, and the establishment of market linkages for selected products. Expected results will be greater incomes for individuals along the marketing chain, increases in productivity, job creation, increased outputs of agricultural products, and, ultimately, a more vibrant economy. USAID will provide direct technical assistance to over 3,000 commercial agricultural producers and approximately 100 agribusiness enterprises. Contractors/Grantee:

Development Alternatives Inc. (Prime), FLAG Croatia (Sub), and International Executive Service Corps (Sub).

Improved investment climate (\$1,046,000 AEEB, \$200,000 AEEB carryover). USAID will continue to assist the Croatian Privatization Fund to divest all state ownership in companies and assets. In the energy sector, USAID will work with the independent energy regulatory commission on tariff reform and secondary energy legislation, and will assist HEP, the national electrical utility, in its efforts to unbundle its vertically-integrated operations and restructure its corporate organization as an essential precondition to privatization. In addition, USAID will create a Global Development Alliance in partnership with the World Bank, other bilateral donors, and private sector Croatian businesses to improve Croatia's investment promotion outreach. Contractors: Price Waterhouse Coopers (prime), Pierce, Atwood (Prime), Hunton and Williams (prime)

FY 2005 Program:

Small and medium enterprise development (\$4,656,000 AEEB), Agricultural productivity and markets (\$3,271,000 AEEB), Improved investment climate (\$808,000 AEEB): FY 2005 resources requested in this Budget Justification will continue to fund several ongoing activities as outlined above. These include the new SME development activity promoting job creation and improved business performance; the agriculture sector activities focused on improving on-farm productivity and market linkages; the energy sector activities promoting energy market liberalization; and a small financial markets development cooperative agreement to continue regulatory reform. Same implementers as above.

Performance and Results: USAID strengthened private sector enterprises in key sectors of the economy by delivering high quality technical assistance that improves their capacity to compete. In the critically important tourism sector, USAID-assisted businesses increased their total revenues by 14.17% and increased their dollars spent per tourist by 13.25%. The USAID-assisted Association for Management Consultants (AMC) trained over 200 business consultants representing more than 100 firms in better business practices. As a result, recipients of the training have secured more than 300 paid contracts from interested local businesses representing more than one million Euros of revenue. As a result of two successful test shipments in USAID's agribusiness program, the distributor recently received a standing order for weekly shipments of produce to support U.S. forces in Kosovo which is expected to bring in more than 600,000 Euros in revenues over the next year. Technical assistance provided by USAID has been instrumental in defining new, transparent electricity tariffs that enable customers equal access to the electricity grid in order to transport the purchased electricity from marketers or producers, a critical step towards market liberalization. The Zagreb Land Registry office formally began the process of conversion from decades-old handwritten land registry books to a fully computerized system in September. The new system is based on software and procedures developed with USAID assistance.

By the conclusion of these activities, USAID will have successfully positioned Croatia's SME sector, particularly in agriculture, tourism, and wood products, to compete more effectively and efficiently as the country prepares for EU accession. More specifically, we will have had a direct impact on creating sustainable employment of over 20,000 jobs and increased agricultural income to domestic producers by a significant percent, as measured at the national level.

Data Sheet

USAID Mission:	Croatia
Program Title:	Citizen Participation & Improved Governance
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	160-0210
Proposed FY 2004 Obligation:	\$9,605,000 AEEB
Prior Year Unobligated:	\$637,000 AEEB
Proposed FY 2005 Obligation:	\$7,935,000 AEEB
Year of Initial Obligation:	FY 2001
Year of Final Obligation:	FY 2007

Summary: USAID's citizen participation and improved governance program supports a broad range of efforts to develop Croatia's democratic institutions essential for Croatia to move toward consolidated democratic freedoms. Democracy activities include training and technical assistance to: local government capacity; strengthen non-governmental organizations (NGOs); enable civic participation; increase political party and legislative capacity; strengthen the judiciary; and, target transnational issues such as combating trafficking in persons.

Inputs, Outputs, Activities:

FY 2004 Program:

Increase the capacity of local governments to manage the new administrative and fiscal demands brought on by decentralization (\$5,432,000 AEEB, \$171,000 AEEB carryover). USAID's Local Government Reform Program (LGRP) strengthens local government skills in financial and asset management, local economic development and citizen participation in local affairs. The recent expansion and dissemination of this program to over 500 local governments will effectively introduce reforms to most of the local government sector in Croatia. The project will help foster and expand fiscally responsible and accountable local governments, citizen participation, and transparency. Contractor: Urban Institute (prime)

Improve the capacity of local civil society organizations and the overall NGO sector in Croatia (\$3,000,000 AEEB, \$171,000 AEEB carryover). USAID/Croatia's NGO program (CroNGO) is strengthening networks of national and community-based organizations throughout Croatia to effectively represent citizens' interests/concerns to local, regional and national level policy makers. CroNGO will expand its reach to a broader range of NGOs and will provide 12 leading NGOs with the management, fundraising, and outreach skills needed to become sustainable. Activities will reinforce NGOs in targeted sectors and reach out to grass-roots organizations with small grants. Target NGO sectors include: environmental protection, human rights, community development, disabled persons, health (including HIV/AIDS), the judiciary, youth, and women. Activities will strengthen public-private partnerships, promote corporate social responsibility, and develop the legal framework for the non-profit sector. USAID will work toward improving the legal framework for NGOs, including the law on foundations, and assist the National Foundation for Development of Civil Society. Contractor: Academy for Educational Development (prime)

Improve Croatia's political processes (\$1,047,000 AEEB, \$296,000 AEEB carryover). The recently elected Croatian Government will be led by the Croatian Democratic Union (HDZ), the same political party that prior to the 2000 elections obstructed reform efforts and isolated Croatia from the rest of the international community. USAID assistance in political processes will continue to be essential to consolidate democratic reforms. Focus will shift from work in political parties to work with institutions, particularly with the new parliament. U.S. assistance will also be directed toward encouraging an improved legislative framework for elections. Access to voting for refugees and increased transparency of campaign spending are issues that must be resolved to ensure the sustainability of current electoral reforms. Principal contractor/grantee: to be determined

Increase public awareness to combat trafficking in persons (\$126,000 AEEB). USAID's support to combat Trafficking in Persons (TIP) focuses on raising awareness among the public, media, law enforcement officials and policy-makers through targeted public education campaigns. Principal contractor/grantee to be determined.

FY 2005 Program:

Increase capacity of local governments to manage the new administrative and fiscal demands brought on by decentralization (\$5,882,000 AEEB). USAID will expand the Local Government Reform Program, extending best practices and reforms to more local governments. Contractor: same as above.

Improve capacity of local civil society organizations and Croatian NGOs (\$1,411,000 AEEB). USAID will continue this activity to expand CroNGO to encompass a broader variety of NGOs. Contractor: same as above.

Improve Croatia's political processes (\$518,000 AEEB). USAID will continue to support activities that strengthen the political process. Implementer: to be determined.

Increase public awareness to combat trafficking in persons (\$124,000 AEEB). USAID activities will expand the awareness activities to combat trafficking in persons. Implementer: to be determined.

Performance and Results: The LGRP has been instrumental in strengthening the capacity of over 400 of Croatia's 567 local governments that were left ill-prepared to take on the new and increased responsibilities devolved from the central government in 2001. Technical assistance modules in financial and asset management, local economic development, and citizen participation in local affairs have provided local governments with valuable tools as they begin to manage their own affairs.

USAID Croatia's NGO support program assisted three major grant-giving organizations in supporting 135 community projects that emphasized citizen participation and inter-NGO cooperation. Through this program, USAID activities assisted 10 sectoral organizations to diversify their funding base and improve their financial sustainability. The provision of 41 small grants resulted in improved quality of life in 50 communities, specifically in the areas of social care for children, the disabled, and the elderly. USAID's NGO Legislative Strengthening project assisted in drafting new NGO-related laws, which in turn led to enactment of the new Law on Humanitarian Assistance and the Law on Establishment of the National Foundation for Development of Civil Society. Both are recognized as crucial to Croatia's developing civil society and social contract practices. Under the recently-concluded Rule of Law/Judicial Reform program, the World Bank, European Commission and the Ministry of Justice have recognized that the USAID court case management model forms a solid platform for the development of the national automated case management system in Croatia. In turn, the Ministry of Justice suspended the Court Book of Rules. This then allowed for innovative court improvements at pilot courts.

By the end of this program, USAID's emphasis on local governance and NGO sector development, with its continuing efforts in political party/legislative strengthening, will bring Croatia close to Northern Tier standards in political processes, civil society, and local governance. USAID's electoral support will have strengthened the democratic operations and capacity of parliamentarians to reach out to constituents, at national and local levels. Croatia's indicators for development of multi-party systems and popular participation in political processes will also have improved. USAID's NGO sector initiatives will have improved their organizational and financial capacity, and USAID's support to the decentralization processes will have significantly improved Croatia's relative position in governance.

Data Sheet

USAID Mission:	Croatia
Program Title:	Return & Reintegration of War-Affected Populations
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	160-0310
Proposed FY 2004 Obligation:	\$968,000 AEEB
Prior Year Unobligated:	\$771,000 AEEB
Proposed FY 2005 Obligation:	\$0
Year of Initial Obligation:	FY2001
Year of Final Obligation:	FY2004

Summary: USAID's program to increase the return of war-affected peoples and help ensure their sustainable reintegration emphasizes a community-based approach that includes training and technical assistance in: infrastructure reconstruction and economic revitalization, community building, legal aid, and housing solutions to partner communities.

Inputs, Outputs, Activities:

FY 2004 Program:

Increase economic and social viability in partnership municipalities (\$968,000 AEEB, \$771,000 AEEB carryover). USAID's Economic and Community Revitalization Activity (ECRA) will: 1) create jobs and boost economic activity through community-based economic programs; 2) support community reintegration in return areas; 3) increase the rate of cross-border returns through information exchange and direct contacts; 4) improve the housing situation for returnees, displaced persons and settlers; and 5) support sustainability of local partners through participant training and capacity-building programs. Specific ECRA activities in the USAID partnership municipalities include: micro-credit and business development services, training of entrepreneurs, cooperatives and individual farmers, legal assistance to returnees, computer training for youth and women, and support for the development of community-based organizations such as community initiative groups, elected village boards, and community committees.

Additional technical support and training will focus on strengthening the linkages between local government officials, business leaders, and NGOs in ten war-affected municipalities, enabling them to work more effectively in prioritizing the needs of their individual communities. These partnership municipalities will be at the center of the future economic and democracy activities that plan to utilize the acquired knowledge and to build and expand on the existing relationships. This will be a crucial element as the Mission's mainstream economic and democracy programs begin to expand their efforts in these war-affected regions following the completion of the ECRA program. Principal Contractors/Grantees: Mercy Corps (Prime); Urban Institute; International Catholic Migration Commission; Catholic Relief Services; Center for Civil Initiatives; Serb Democratic Forum; International Rescue Committee; Firm Level Assistance Group; Center for Education and Counseling of Women; Steps of Hope; MICROPLUS; Local Economic Development Agency; Economic Development Agency WESTERN SLAVONIA; Independent Association of Agricultural Cooperatives and Farmers; Net for Peace; Dalmatian Solidarity Committee; Organization for Civil Initiatives; and the Center for Peace, Non-Violence and Human Rights (Subs).

FY 2005 Program:

Closeout of the Accelerated Return and Sustainable Reintegration of War-Affected Populations Strategic Objective is planned for the end of FY 2004. USAID's current efforts to create jobs in war-affected areas of Croatia will be incorporated into the Economic Development team's more comprehensive approach to private sector-led employment growth and will benefit from national and regional linkages.

Performance and Results: Although overall refugee returns to Croatia in CY 2003 decreased 60% from CY 2002, the 1,900 returnees to USAID partnership municipalities are a slight increase over the previous

year. Fifty-six percent of those returning to USAID partnership municipalities in CY 2003 were in the economically-active age group of 18 to 50. This is a significant increase over the 2001 baseline. In FY 2003, USAID Croatia achieved multiple results through its various activities under this Strategic Objective. Approximately 100 infrastructure projects funded through the Community Infrastructure Rehabilitation Program (CIRP) were completed by the end of FY 2003. Through CIRP, 55,000 people (about 18,000 families) in 144 communities benefited from eight community centers, 19 schools, a health clinic and two roads that have been repaired and rehabilitated. Two thousand five hundred families are now able to drink clean and safe water as a result of new or restored connections to public utilities. ECRA's representative community committees are now functioning in all 10 of the USAID partner municipalities. In FY 2003, ECRA activities created employment for 716 people, generated 163 new contracts worth almost \$1,000,000 for assisted enterprises and leveraged close to \$500,000 of funding from other sources. Nearly 10,500 people of all ethnic groups have participated in ECRA-assisted community activities, and over 8,000 people received legal assistance, with 45% of the cases being resolved. Through the NHS program, 24 families occupying homes belonging to returnees were successfully relocated to permanent housing. And through the DCA program, 189 loans totaling \$1,158,278 (representing more than 15% of the first apportionment) were approved by the end of FY 2003, and 98 families (out of 100 planned) of the Housing Reconstruction program were housed in newly-reconstructed homes.

By the conclusion of this program, USAID will have accomplished multiple goals under this strategic objective. USAID will have raised the standard of living in critical war-affected regions by providing electricity and water to numerous residents and families. USAID programs will have built real capacity, established linkages (including cross-border networks) and raised the level of optimism among local populations, governments, entrepreneurs, and NGOs within supported regions. The programs have given the stakeholders within these strategic regions the tools, know-how, and motivation to address current and emerging concerns as they prepare for EU accession.

Data Sheet

USAID Mission:	Croatia
Program Title:	Mitigation of Adverse Social Conditions & Trends
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	160-0340
Proposed FY 2004 Obligation:	\$535,000 AEEB
Prior Year Unobligated:	\$195,000 AEEB
Proposed FY 2005 Obligation:	\$0
Year of Initial Obligation:	FY2001
Year of Final Obligation:	FY2004

Summary: USAID Croatia's Social Transition program addresses the social ills and political disaffection originating from decades of socialism and post-independence economic contraction. It includes training and technical assistance to: enhance public understanding and support for social sector reforms including the pension system, and support stakeholder negotiations on vital social reforms such as labor and family laws.

Inputs, Outputs, Activities:

FY 2004 Program:

Technical support to the Ministry of Labor and Social Welfare (\$168,000 AEEB, \$185,000 AEEB carryover). USAID will provide Croatia's Ministry of Labor and Social Welfare with technical assistance that strengthens their education capacity and supports their Pillar III (401k-like) pension reform campaign. USAID will play a vital role in assisting the Government of Croatia (GOC) with its pension reform effort through a comprehensive public education campaign, regulatory and oversight training, and other technical assistance, including GOC unemployment programs. Contractor: Carana (Prime)

Strengthen Croatian trade unions' leadership capacity and constituent outreach mechanisms (\$367,000 AEEB). In its final year of funding, USAID will support: trade unions' constituent outreach initiatives, democratization of union leadership and management, and training to improve negotiation skills to help unions function as credible partners in social dialogue. Grantee: American Center for International Labor Solidarity (Prime).

Increase public awareness to combat trafficking in persons (\$10,000 AEEB carryover). USAID's support to combat Trafficking in Persons (TIP) focuses on raising awareness among the public, media, law enforcement officials, and policy-makers through targeted public education campaigns. Training opportunities and gathering baseline data will continue. Principal contractor/grantee to be determined.

FY 2005 Program:

This strategic objective closes out in FY2004.

Performance and Results: USAID Croatia's social transition program has realized significant accomplishments in FY 2003. USAID's continued successful support to Croatia's Ministry of Labor and Social Welfare (MOL) for the Pension Reform Public Education Activity enabled the GOC to garner critical political will and popular support for reform in this sector. Pension Reform has been highlighted as one of the Government's most successful transition activities and is considered a model for Southeast Europe. USAID's anti-trafficking program saw improved results in public knowledge on trafficking issues. For example, the percentage of Croatians aware of trafficking rose from 45.5% to 80.3% by the end of the activity. Also, calls to the SOS line promoted by this program rose significantly (more than 200%) from a mere seven calls to over 1,500 during USAID's public outreach campaign. Through USAID's HIV/AIDS outreach initiatives, some 19,000 educational brochures were disseminated to at-risk youth. Since its founding in late FY 2003, the HIV/AIDS hotline supported by USAID received 145 calls, and 212 new

clients have requested testing and counseling from the USAID-supported NGO. Despite a lack of GOC support, the Tripartite Social Dialogue (TSD) program realized achievements in FY 2003. TSD supported the introduction of new and more efficient operational procedures and lines of communication within the National Economic and Social Councils (GSVs) in 18 of Croatia's 21 counties. In particular, the 17 labor mediators trained through this activity are utilizing their skills more effectively and are arbitrating an average of 10 cases per month, with a resolution rate of 75%.

Upon completion of the program in FY 2004, activities implemented under the TSD will have significantly contributed to the capacity and sustainability of the Office of Social Partnership. As one of the crucial elements for the democratic development of Croatia, USAID anticipates that national awareness and demand for the social partnership will increase. Active and successful mediators, fully functioning local GSVs and positive social dialogue will be the project's legacy. Croatia's pension reform will be well underway with their first two pillars established and the third pillar, a 401k-like program, ready to roll out to the public. The Croatian public will have a strong understanding of each of the pension funds which will allow them to make informed decisions on their future. Projects regarding the protection of the vulnerable groups, trafficking in persons, and HIV/AIDS will have raised awareness among the Croatian public, resulting in a decrease of the vulnerability and stigmatization of affected persons.

Data Sheet

USAID Mission:	Croatia
Program Title:	Cross-Cutting Programs
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	160-0420
Proposed FY 2004 Obligation:	\$700,000 AEEB
Prior Year Unobligated:	\$677,000 AEEB
Proposed FY 2005 Obligation:	\$830,000 AEEB
Year of Initial Obligation:	FY2001
Year of Final Obligation:	FY 2007

Summary: USAID's Cross-Cutting Strategic Objective supports activities across all USAID Croatia's strategic objectives. Issues and areas of focus include training and technical assistance to: develop free market economies; consolidate democracy and increase awareness of citizen's rights and responsibilities; protect the environment; strengthen local government; and facilitate social transition.

Inputs, Outputs, Activities:

FY 2004 Program:

Participant training across multiple Strategic Objectives (\$700,000 AEEB, \$677,000 AEEB carryover). In order to support the achievement of USAID's SOs and to exploit cross-cutting opportunities, USAID will fund training activities and program opportunities that affect multiple Strategic Objectives. Under this SO, training will be directly related to a particular SO and budgeted accordingly. However, a modest training budget will be managed as a cross-cutting activity to permit training and technical assistance that supports overall Mission program goals. Program support costs will cover will cover costs that affect multiple Strategic Objectives as well as impending evaluations and technical assistance for strategic planning exercises. As USAID/Croatia begins the first phase of its Graduation Plan, program support funds will be used to provide assistance to those legacy institutions that will be responsible for carrying on reform efforts once Croatia has graduated from SEED assistance. Contractor: World Learning (prime)

FY 2005 Program:

Participant training across multiple Strategic Objectives (\$830,000 AEEB). USAID plans to use FY 2005 resources requested in this Budget Justification to continue to fund training programs that support overall Mission program goals. Program support costs will cover impending evaluations and technical assistance for strategic planning exercises and support to Croatia's legacy institutions that will carry on reform efforts once Croatia has graduated from SEED assistance. Contractor: same as above.

Performance and Results: In FY 2003, USAID Croatia's training programs included 56 different programs in 24 countries, and trained a total of 727 participants. Under the economic and business development program, two trainings were conducted in Croatia for over 80 mediators to introduce mediation methodologies and strategies. Ten participants were then selected for extensive training in Los Angeles in cooperation with the Judicial Arbitration and Mediation Service (JAMS). Under the democracy and governance program, a Local Government Citizen Participation program was conducted at Cleveland State University for 11 Croatians from USAID partner municipalities. As a result of the training, the City of Rijeka developed a comprehensive citizen participation plan, which was formally adopted as a policy document. Also under this program, three Croatians attended a Global Summit of Women in Morocco. In turn, one of these participants submitted a winning proposal to World Learning for a small grant to train trainers in support of anti-trafficking of young Croatian women. Under the reconstruction and rehabilitation program, two groups of Croatian agricultural cooperative directors totaling 21 participants attended a program conducted by Montana State University to learn more about management of agricultural cooperatives. Two participants from this group have since been awarded small grants to develop action plans they designed through their training programs.