

## The Challenge

The key objective of the USAID program is to support Russia as it mobilizes its natural and human resources to contribute to solving problems of global significance. Stalled democratic reform, an underdeveloped small business sector, poverty and instability in the North Caucasus, lagging development in the Russian Far East and in communities adjacent to weapons of mass destruction facilities, and epidemics of HIV/AIDS and multi drug-resistant TB, are among the current challenges USAID programs address. USAID is working to develop a broad-based civil society that is promoting free and fair elections, judicial and media independence, and respect for human rights. USAID engaged with the Government to improve the healthcare delivery system. Finally, USAID is promoting the development of small enterprise through credit institutions and business associations while also developing public-private alliances to increase the local community engagement of Russian profit-making institutions.

## Objectives, Sectors and Workforce

Mission Director: Terry Myers

MCA Status: Not a Candidate

PEPFAR Focus Country: No

Provided or Received Services From Other Missions: Stand Alone

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
118-0100 Small and Medium Enterprises		0	0	5,000	3,708	N/A	N/A	N/A
118-0131 Small Business Development		8,575	5,765	0	0	N/A	1.27	Exceeded
118-0141 Economic Policy Reform		4,221	680	0	0	N/A	1.05	Met
118-0161 Environment		3,590	625	0	0	N/A	1.04	Met
118-0200 Strengthening Democracy		0	0	38,000	28,184	N/A	N/A	N/A
118-0211 More Open, Participatory Society		12,290	19,800	0	0	N/A	0.97	Met
118-0221 Legal Systems Strengthened		3,895	5,587	0	0	N/A	0.83	Not Met
118-0231 Improved Local Governance and Economic		2,850	3,828	0	0	N/A	1.16	Exceeded
118-0300 Infectious Diseases, Population, and Child Welfare		0	0	22,940	17,781	N/A	N/A	N/A
118-0321 Health and Child Welfare		21,004	27,700	0	0	N/A	2.00	Exceeded
118-0410 Special Initiatives		12,000	0	0	0	N/A	N/A	N/A
118-0420 Program Support and Special Initiatives Programs		13,709	16,884	4,537	3,365	-75.5%		0.25
Transfer to Other US Government Agency		18,364	15,716	11,693	7,932	-56.8%		
PL 480 Title II not Allocated to a Strategic Objective		5,121	1,498	2,095		N/A		
<b>Country Total</b>		<b>105,619</b>	<b>98,083</b>	<b>84,265</b>	<b>60,970</b>	<b>-42.3%</b>		

Program Budget (Appropriations by Account)		FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
Child Survival and Health Programs Fund		3,000	6,450	2,970	2,970	-1.0%
Economic Support Fund		1,284	0	0	0	N/A
FREEDOM Support Act		96,214	90,135	79,200	58,000	-39.7%
PL 480 Title II		5,121	1,498	2,095	0	N/A
<b>Total</b>		<b>105,619</b>	<b>98,083</b>	<b>84,265</b>	<b>60,970</b>	<b>-42.3%</b>

Program Budget by Sector and Account		FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
Basic Education	FSA	310	0	0	0	N/A
Agriculture and Environment	FSA	5,684	1,465	840	623	-89.0%
Economic Growth	FSA	31,906	15,035	10,920	7,970	-75.0%
Human Rights	FSA	0	14	750	0	N/A
Democracy and Governance	FSA	40,539	48,771	43,920	33,096	-18.4%
Conflict Management / Humanitarian Assistance	FSA	555	2,600	1,800	1,500	170.3%
Family Planning / Reproductive Health	CSH	0	3,450	0	0	N/A
	ESF	1,284	0	0	0	N/A
	FSA	3,560	3,580	3,300	2,650	-25.6%
HIV / AIDS	CSH	3,000	3,000	2,970	2,970	-1.0%
	FSA	7,078	10,900	8,000	5,321	-24.8%
Child Survival and Maternal Health	FSA	300	0	0	0	N/A
Vulnerable Children	FSA	2,106	4,020	4,775	2,865	36.0%
Other Infectious Diseases	FSA	4,176	3,750	4,895	3,975	-4.8%
PL 480 Title II not Allocated to a Sector		5,121	1,498	2,095		N/A
<b>Total</b>		<b>105,619</b>	<b>98,083</b>	<b>84,265</b>	<b>60,970</b>	<b>-42.3%</b>

Workforce		FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07
US Direct Hires		13	16	17	17	30.8%
US Non Direct Hires		6	7	9	8	33.3%
Foreign Nationals		88	89	88	88	0.0%

<b>Total</b>	<b>107</b>	<b>112</b>	<b>114</b>	<b>113</b>	<b>5.6%</b>
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<b>Operating Expense</b>	<b>FY 2004 (\$000)</b>	<b>FY 2005 (\$000)</b>	<b>FY 2006 (\$000)</b>	<b>FY 2007 (\$000)</b>	<b>Percent Change FY 04-07</b>
Salaries and benefits	2,401	2,227	1,768	1,764	-26.5%
Travel	505	442	224	173	-65.7%
Transportation of things	69	109	79	133	92.8%
Rent	497	533	466	362	-27.2%
Security	50	21	20	20	-60.0%
Equipment	111	200	30	14	-87.4%
ICASS - Operating Expense only	982	1,001	803	916	-6.7%
Other Operating Expense	467	493	310	318	-31.9%
<b>Total OE Budget</b>	<b>5,082</b>	<b>5,026</b>	<b>3,700</b>	<b>3,700</b>	<b>-27.2%</b>
US direct hire salary and benefits	2,082	1,893	2,040	2,260	8.5%
Program Funded Administrative Expenses				4,171	
<b>Country Total Administrative Budget</b>				10,131	
<b>Percent of Bureau OE Total</b>				9.5%	

<b>Mission Summary</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
Program per US Direct Hire (\$000)	8,125	6,130	4,957	3,586
Program per All US (\$000)	5,559	4,264	3,241	2,439
Program per Position (\$000)	987	876	739	540
Operating Expense as % of Program Funding				6.1%
Program Funded Admin Expense as % of Total Admin				41.2%
Total Admin Expense as % of Program Funding				16.6%

**Other Major Donors:**

Bilateral: Germany, Israel, United Kingdom

Multilateral: European Union, World Bank, United Nations

## Russia PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2004 Actual	FY 2005 Actual	FY 2006 Current	FY 2007 Request
Child Survival and Health Programs Fund	3,000	6,450	2,970	2,970
Economic Support Fund	1,284	0	0	0
FREEDOM Support Act	96,214	85,135	79,200	58,000
FSA FY 2005 Supplemental	0	5,000	0	0
PL 480 Title II	5,121	1,498	2,095	0
<b>Total Program Funds</b>	<b>105,619</b>	<b>98,083</b>	<b>84,265</b>	<b>60,970</b>

### STRATEGIC OBJECTIVE SUMMARY

118-0100 Small and Medium Enterprises				
FSA	0	0	5,000	3,708
118-0131 Small Business Development				
FSA	8,575	5,765	0	0
118-0141 Economic Policy Reform				
FSA	4,221	680	0	0
118-0161 Environment				
FSA	3,590	625	0	0
118-0200 Strengthening Democracy				
FSA	0	0	38,000	28,184
118-0211 More Open, Participatory Society				
FSA	12,290	19,800	0	0
118-0221 Legal Systems Strengthened				
FSA	3,895	5,587	0	0
118-0231 Improved Local Governance and Economic Development				
FSA	2,850	3,828	0	0
118-0300 Infectious Diseases, Population, and Child Welfare				
CSH	0	0	2,970	2,970
FSA	0	0	19,970	14,811
118-0321 Health and Child Welfare				
CSH	3,000	6,450	0	0
ESF	1,284	0	0	0
FSA	16,720	21,250	0	0
118-0410 Special Initiatives				
FSA	12,000	0	0	0
118-0420 Program Support and Special Initiatives Programs				
FSA	13,709	11,884	4,537	3,365
FSA FY 2005 Supplemental	0	5,000	0	0
<b>TRANSFER</b>				
FSA	18,364	15,716	11,693	7,932

Mission Director,  
Terry Myers

## Data Sheet

<b>USAID Mission:</b>	Russia
<b>Program Title:</b>	Small and Medium Enterprises
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	118-0100
<b>Status:</b>	New in FY 2006
<b>Planned FY 2006 Obligation:</b>	\$5,000,000 FSA
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2007 Obligation:</b>	\$3,708,000 FSA
<b>Year of Initial Obligation:</b>	2006
<b>Estimated Year of Final Obligation:</b>	2007

**Summary:** USAID's business development and finance programs focus on technical assistance, training, and non-bank financing to strengthen the environment for small and medium enterprises (SMEs) and to address concerns about money-laundering and other illegal business activity.

### Inputs, Outputs, Activities:

#### FY 2006 Program:

Improve Private Sector Competitiveness (\$820,000 FSA). USAID will support civil society development and humanitarian assistance in the Chukotka region and training and business skills development for small and medium enterprises (SMEs) in the Russia Far East (RFE). Principal partner: University of Alaska at Anchorage (UAA).

Strengthen the Financial Services Sector and Increase Access to Capital (\$4,180,000 FSA). USAID will continue to support the development of a vibrant micro-finance sector at the national, regional, and community levels. USAID assistance has been instrumental in creating this economic sector in Russia which made more than \$88 million in small business loans in FY 2005. USAID will support sector-specific policy development, advocacy, legal reform, and training at the national level through more than 400 micro-finance institutions (MFIs) and credit cooperatives nationwide which represent a powerful voice for Russia's emerging entrepreneurial class. Additionally, USAID will work to enhance cooperation between MFIs and the formal banking sector to further access to commercial credit for its membership and their clients. The key program goal is to institutionalize the Russian Microfinance Center (RMC) and a recently created second-tier Micro-finance Fund (Centurion Capital) as sustainable legacies to USAID's assistance. USAID will provide the remaining capital for Centurion Capital's start-up operations. In the RFE, USAID will continue institutional development of two Russian MFIs on Sakhalin Island - the Sakhalin Small Enterprise Development Foundation and Sakhalin Small Business Credit Society. These USAID-supported institutions will continue to cooperate actively under Global Development Alliance arrangements with Exxon Neftegas Limited and Sakhalin Energy to increase access to finance for small business entrepreneurs on the island. USAID will support the Central Bank of Russia (CBR) as it finalizes implementation of the Deposit Insurance System (DIS) and continues to upgrade its on-site banking supervision capacity. USAID will also select a final group of banks for targeted technical assistance and training to strengthen their ability to mobilize savings and engage in commercial lending to small businesses. The combination of deposit insurance, bank supervision, and targeted technical assistance will stimulate additional deposits by consumers and more-effective lending by commercial banks. Working with a private sector bank through a Global Development Alliance, USAID's anti-money laundering (AML) activity will strengthen Russian expertise in the identification and prevention of money-laundering and terrorism finance. This activity will build upon eight years of cooperation between the CBR and U.S. financial regulators, and will address the most urgent needs for both countries. This will include internships for CBR senior managers with U.S. financial regulators and in-Russia training for CBR and commercial banks on improved AML policies and procedures. These activities will support a regional effort, within the Newly Independent States and Asia, and will be coordinated with the U.S. Treasury and U.S. Department of Justice. Under the North Caucasus (NC) Initiative USAID will support: the development and expansion of regional enterprises, particularly in rural areas; link enterprises and institutions to on-going programs and institutions in other regions in Russia; and provide entrepreneurs in

the NC with financial, business development and technical services to support business growth and economic integration of the NC with Russia. USAID will support rural credit cooperatives and agribusiness development through enhanced access to credit, and strengthen NC agri-businesses and agriculture support institutions, like universities. Principal partners: Financial Services Volunteer Corps (FSVC), Development Alternatives Inc. (DAI), Agricultural Cooperative Development International/Volunteers in Overseas Cooperative Assistance (ACDI/VOCA) and new partners to be determined.

**FY 2007 Program:**

Improve Private Sector Competitiveness (\$708,000 FSA). USAID intends to focus efforts on SME development in the RFE and strategic cities. Principal partners: Same as above.

Strengthen the Financial Services Sector and Increase Access to Capital (\$3,000,000 FSA). In FY 2007, USAID will concentrate final funding on micro-finance legacy institutions, including a direct grant to the RMC, and additional capitalization for Centurion Capital. Additional capital will be supported with a Development Credit Authority Guarantee to enhance Centurion's ability to access private debt sources. The micro-credit program on Sakhalin Island will receive additional funding to expand the reach of the program to underserved areas in the RFE and to bolster business planning capacity. Additional credit, agribusiness, and local economic development efforts will focus on the strategic NC region. During FY 2007, USAID will also continue to develop post-presence capacity to support essential final banking reforms. This effort will concentrate on improving banking system transparency, additional bank examiner capacity-building, and further strengthening of partnerships with American bank regulators. Given Moscow's status as a regional financial center, an important focus of this effort will include assistance on AML. As part of the U.S. Government effort to eliminate illicit financial flows and combat terrorism, USAID will help the CBR and the private sector to improve AML awareness and compliance. In addition to the direct benefits, these activities will serve to promote savings, discourage corruption, improve regional AML practices, and encourage banking practices that are important to forming a stable middle class. Principal partners: Same as above.

**Performance and Results:** During FY 2005, USAID-supported MFIs provided 55,083 loans worth over \$88 million, allowing loan recipients to grow their businesses by 200% to 300%, on average. Two USAID-supported MFI networks reached sufficient financial scale to transform from non-governmental organizations into formal for-profit financial institutions. Each network has started to access private commercial funds to expand their operations. The Sakhalin Micro-finance Program opened two additional branches, bringing the total to six outlets serving entrepreneurs throughout the island. Building on its successful partnership with Exxon Neftegas Ltd in FY 2004, in FY 2005 the project sourced \$250,000 of additional private lending capital through a grant from Sakhalin Energy. The RMC now represents over 400 MFIs throughout the country on policy and legal reforms of concern to their membership. Having signed cooperation agreements with the Association of Russian Banks and the Association of Russian Regional Banks in FY 2004, the RMC is establishing a policy forum to deepen cooperation between the MFI and banking sectors. Centurion Capital was registered in FY 2005 as a second-tier commercial lender. Acting as a commercial conduit between large lenders and Russia's network of 1,500 individual MFIs, Centurion will begin to lend early in FY 2006. In FY 2005, USAID support to the CBR was instrumental in the creation of the Deposit Insurance System (DIS) in Russia. The DIS is critical to establishing consumer confidence in the banking sector and encouraging savings. By late 2004, more than 200 banks (out of approximately 1,300) were accepted to the DIS. Today, with USAID support, more than 800 banks, representing 98% of individual deposits in Russia, are covered under the DIS. USAID continues to provide substantive support to the CBR's transformation to risk-based supervision policies. USAID also began supporting CBR in its efforts to do combat money-laundering and terrorist finance. At the conclusion of this program a fully sustainable and nationwide system of credit cooperatives and micro-finance institutions will exist, supported by two national level policy and training institutions and two second-tier lending institutions capable of providing loans to the primary lending networks. The CBR will also have made the transition to a risk-based system of bank supervision and have both a functioning deposit insurance system covering all individual deposits and a viable and functioning AML-CFT regime.

## US Financing in Thousands of Dollars

Russia

118-0100 Small and Medium Enterprises	FSA
<b>Through September 30, 2004</b>	
Obligations	0
Expenditures	0
Unliquidated	0
<b>Fiscal Year 2005</b>	
Obligations	0
Expenditures	0
<b>Through September 30, 2005</b>	
Obligations	0
Expenditures	0
Unliquidated	0
<b>Prior Year Unobligated Funds</b>	
Obligations	0
<b>Planned Fiscal Year 2006 NOA</b>	
Obligations	5,000
<b>Total Planned Fiscal Year 2006</b>	
Obligations	5,000
<b>Proposed Fiscal Year 2007 NOA</b>	
Obligations	3,708
Future Obligations	0
Est. Total Cost	8,708

## US Financing in Thousands of Dollars

Russia

118-0131 Small Business Development	FSA
<b>Through September 30, 2004</b>	
Obligations	27,953
Expenditures	18,108
Unliquidated	9,845
<b>Fiscal Year 2005</b>	
Obligations	5,815
Expenditures	9,407
<b>Through September 30, 2005</b>	
Obligations	33,768
Expenditures	27,515
Unliquidated	6,253
<b>Prior Year Unobligated Funds</b>	
Obligations	63
<b>Planned Fiscal Year 2006 NOA</b>	
Obligations	0
<b>Total Planned Fiscal Year 2006</b>	
Obligations	63
<b>Proposed Fiscal Year 2007 NOA</b>	
Obligations	0
Future Obligations	0
Est. Total Cost	33,831

## US Financing in Thousands of Dollars

Russia

	DCA	FSA
118-0141 Economic Policy Reform		
<b>Through September 30, 2004</b>		
Obligations	769	16,831
Expenditures	18	11,033
Unliquidated	751	5,798
<b>Fiscal Year 2005</b>		
Obligations	0	878
Expenditures	0	5,372
<b>Through September 30, 2005</b>		
Obligations	769	17,709
Expenditures	18	16,405
Unliquidated	751	1,304
<b>Prior Year Unobligated Funds</b>		
Obligations	0	23
<b>Planned Fiscal Year 2006 NOA</b>		
Obligations	0	0
<b>Total Planned Fiscal Year 2006</b>		
Obligations	0	23
<b>Proposed Fiscal Year 2007 NOA</b>		
Obligations	0	0
Future Obligations	0	0
Est. Total Cost	769	17,732



## Data Sheet

<b>USAID Mission:</b>	Russia
<b>Program Title:</b>	Strengthening Democracy
<b>Pillar:</b>	Democracy, Conflict and Humanitarian Assistance
<b>Strategic Objective:</b>	118-0200
<b>Status:</b>	New in FY 2006
<b>Planned FY 2006 Obligation:</b>	\$38,000,000 FSA
<b>Prior Year Unobligated:</b>	\$1,384,000 FSA
<b>Proposed FY 2007 Obligation:</b>	\$28,184,000 FSA
<b>Year of Initial Obligation:</b>	2006
<b>Estimated Year of Final Obligation:</b>	2012

**Summary:** This objective fosters active citizen participation; open exchange of ideas; transparency and independence of legal systems; efficiency and accountability of local governments; dialogue between government, business, and civic organizations, and public-private partnerships. It includes a focus on improved governance and citizen participation in the North Caucasus and strategic cities.

### Inputs, Outputs, Activities:

#### FY 2006 Program:

Establish and Ensure Media Freedom and Freedom of Information (\$4,818,000 FSA). USAID will help improve the sustainability and professional standards of independent TV, radio, and newspapers through training, competitions, and social marketing campaigns. USAID will also promote professional, unbiased coverage of public policy, political, and electoral issues. Principal partners: Internews Russia, Eurasia Foundation, Foundation for Independent Radio, Foundation for Informational Policy Development.

Promote and Support Credible Elections Processes (\$1,655,000 FSA, \$750,000 FSA prior year recoveries). USAID will support a leading election oversight non-governmental organization (NGO) to monitor local and regional elections. Other new programs will monitor media coverage of political issues and assist other organizations intending to monitor elections in the next two years. Principal partners: Voice Association and to be determined (TBD).

Reduce Trafficking In Persons (\$750,000 FSA). USAID will help crisis centers to improve the job skills and risk awareness of youth at risk of being trafficked. Principal partners: TBD.

Strengthen Civil Society (\$18,900,000 FSA, \$4,152 FSA prior year recoveries). The national program, "Dialogue," will help NGOs to conduct policy dialogue with government while policy think tanks will contribute to informed debate among the public and policymakers on economic, social, and environmental reforms and sustainable NGO financing. Resource Centers in 20 regions will support civic activism and community problem-solving, including in the Russian Far East (RFE). Civic education programs will build youth citizenship and service-learning. Public-private partnerships will be built to leverage resources in the civil society area. The New Eurasia Foundation, an American-European-Russian partnership, founded by the Eurasia Foundation and others, will continue to promote corporate social responsibility, policy development, and youth involvement. Principal partners: International Research and Exchanges Board, Institute for Urban Economics, Moscow School of Political Studies, Moscow Public Science Foundation, Eurasia Foundation, Institute for Economies in Transition.

Strengthen Democratic Political Parties (\$3,910,000 FSA, \$630,000 FSA prior year recoveries). USAID will enhance organizational capacity of democratically-oriented parties, encourage and intensify coalition-building efforts for the 2007-2008 elections, and promote cooperation with NGOs. Community-based initiatives in selected regions will teach Russian youth to apply democratic principles and pursue civic initiatives. New partnerships will strengthen Russian policy institutes capacity to analyze campaign and policy issues. Principal partners: National Democratic Institute (NDI), International Republican Institute (IRI), Project Harmony, TBD.

Strengthen the Justice Sector (\$4,362,000 FSA). Russian-American judicial exchanges, capacity building of Russian judicial institutions, and 'sister bar' partnerships will complement several other programs to promote NGOs' use of the legal system. Human rights advocacy, legal clinics, and advocacy programs will aid refugees and disadvantaged groups. Principal partners: Chemonics International, American Bar Association/Central European and Eurasian Law Initiative (ABA/CEELI), International Memorial, Moscow Helsinki Group, Bay Area Council for Jewish Rescue and Renewal.

Support Democratic Local Government and Decentralization (\$3,605,000 FSA). Local governance activities will assist Russian communities to implement local governance and budget policy reforms. New approaches will include city-to-city partnerships, pooled finance, and Development Credit Authority guarantee structures to support private-sector-led solutions to deliver public services. USAID will also support the promotion of strengthened and effective local government in the North Caucasus and strategic cities. Principal partners: Center for Fiscal Policy, Institute for Urban Economics, TBD.

**FY 2007 Program:**

Establish and Ensure Media Freedom and Freedom of Information (\$4,100,000 FSA). USAID will emphasize the independence, editorial excellence, and civic engagement of regional media sources, and election-related seminars for officials and journalists. Principal partners: Same as above.

Promote and Support Credible Elections Processes (\$1,605,000 FSA). USAID will support the efforts of an evolving NGO coalition for election monitoring; assist the domestic watchdog organization "Voice"; and support multilateral efforts wherever possible. Principal partners: Same as above.

Strengthen Civil Society (\$13,499,000 FSA). A new regional grants program will support NGOs and promote tax and other reforms. Policy analysis and civic education efforts will also expand. Principal partners: Same as above.

Strengthen Democratic Political Parties (\$2,010,000 FSA). USAID will support democratically oriented parties in preparation for the 2007-2008 elections. Principal partners: Same as above.

Strengthen the Justice Sector (\$3,155,000 FSA). USAID will support clinical legal education, judicial reform and partnerships and NGO monitoring of Russian compliance with international standards. Assistance to human rights NGOs will continue. Principal partners: Same as above.

Support Democratic Local Government and Decentralization (\$3,815,000 FSA). USAID will expand the program to more regions and municipalities to foster active citizen participation in the design and delivery of public services and attract private financing for new solutions to improve service delivery. Principal partners: Same as above.

**Performance and Results:** USAID strengthened organizations essential to a functioning democracy: independent media, NGOs, advocacy and watchdog groups, policy think tanks, and business associations. Many local authorities introduced competitive mechanisms to fund social programs. Regional NGO networks in Samara, Siberia, and Southern Russia raised more than \$100,000 from local public and private sources to support grassroots civic initiatives; by the completion of the program the amount of support and number of localities using grant and contract competitions for NGOs is expected to grow, along with levels of corporate and individual philanthropy for local communities' charitable causes. More than 12,000 volunteers participated in community action projects, which are expected to steadily rise at the grassroots level. Russian regional media and NGOs organized public awareness campaigns. Citizen monitoring of elections and of government actions expanded to 30 regions last year. Despite the increasingly difficult environment for NGOs USAID grantees in 2005 won court decisions permitting disabled children to receive a public education, restoring benefits to forced migrants, and upholding labor rights. By the end of the program, USAID's partners are expected to increasingly use the courts to protect the rights of citizens, independent regional media sources will be commercially stronger and more effectively in producing quality news and socially-relevant programming, and, barring further limitations on the registration and operations of NGOs, advocacy organizations and professional associations will be more capable of engaging with government actors in effective advocacy for policy change.

## US Financing in Thousands of Dollars

Russia

118-0200 Strengthening Democracy	FSA
<b>Through September 30, 2004</b>	
Obligations	0
Expenditures	0
Unliquidated	0
<b>Fiscal Year 2005</b>	
Obligations	0
Expenditures	0
<b>Through September 30, 2005</b>	
Obligations	0
Expenditures	0
Unliquidated	0
<b>Prior Year Unobligated Funds</b>	
Obligations	1,384
<b>Planned Fiscal Year 2006 NOA</b>	
Obligations	38,000
<b>Total Planned Fiscal Year 2006</b>	
Obligations	39,384
<b>Proposed Fiscal Year 2007 NOA</b>	
Obligations	28,184
Future Obligations	0
Est. Total Cost	67,568

## US Financing in Thousands of Dollars

Russia

118-0211 More Open, Participatory Society	FSA
<b>Through September 30, 2004</b>	
Obligations	37,618
Expenditures	25,017
Unliquidated	12,601
<b>Fiscal Year 2005</b>	
Obligations	21,198
Expenditures	14,777
<b>Through September 30, 2005</b>	
Obligations	58,816
Expenditures	39,794
Unliquidated	19,022
<b>Prior Year Unobligated Funds</b>	
Obligations	401
<b>Planned Fiscal Year 2006 NOA</b>	
Obligations	0
<b>Total Planned Fiscal Year 2006</b>	
Obligations	401
<b>Proposed Fiscal Year 2007 NOA</b>	
Obligations	0
Future Obligations	0
Est. Total Cost	59,217

## US Financing in Thousands of Dollars

Russia

118-0221 Legal Systems Strengthened	FSA
<b>Through September 30, 2004</b>	
Obligations	12,236
Expenditures	8,488
Unliquidated	3,748
<b>Fiscal Year 2005</b>	
Obligations	6,095
Expenditures	4,486
<b>Through September 30, 2005</b>	
Obligations	18,331
Expenditures	12,974
Unliquidated	5,357
<b>Prior Year Unobligated Funds</b>	
Obligations	67
<b>Planned Fiscal Year 2006 NOA</b>	
Obligations	0
<b>Total Planned Fiscal Year 2006</b>	
Obligations	67
<b>Proposed Fiscal Year 2007 NOA</b>	
Obligations	0
Future Obligations	0
Est. Total Cost	18,398

## US Financing in Thousands of Dollars

Russia

118-0231 Improved Local Governance and Economic Development	<b>FSA</b>
<b>Through September 30, 2004</b>	
Obligations	10,392
Expenditures	6,367
Unliquidated	4,025
<b>Fiscal Year 2005</b>	
Obligations	3,973
Expenditures	2,721
<b>Through September 30, 2005</b>	
Obligations	14,365
Expenditures	9,088
Unliquidated	5,277
<b>Prior Year Unobligated Funds</b>	
Obligations	55
<b>Planned Fiscal Year 2006 NOA</b>	
Obligations	0
<b>Total Planned Fiscal Year 2006</b>	
Obligations	55
<b>Proposed Fiscal Year 2007 NOA</b>	
Obligations	0
Future Obligations	0
Est. Total Cost	14,420

## Data Sheet

<b>USAID Mission:</b>	Russia
<b>Program Title:</b>	Infectious Diseases, Population, and Child Welfare
<b>Pillar:</b>	Global Health
<b>Strategic Objective:</b>	118-0300
<b>Status:</b>	New in FY 2006
<b>Planned FY 2006 Obligation:</b>	\$2,970,000 CSH; \$19,970,000 FSA
<b>Prior Year Unobligated:</b>	\$3,450,000 CSH; \$516,000 FSA
<b>Proposed FY 2007 Obligation:</b>	\$2,970,000 CSH; \$14,811,000 FSA
<b>Year of Initial Obligation:</b>	2006
<b>Estimated Year of Final Obligation:</b>	2010

**Summary:** Reflecting Russia's pressing needs as well as the Agency's and USG's concerns, HIV/AIDS prevention, treatment, and care remains a priority focus of USAID's health portfolio. Other USAID activities include tuberculosis (TB) control, support for quality reproductive health/family planning services, and child welfare.

### Inputs, Outputs, Activities:

#### FY 2006 Program:

Address Other Health Vulnerabilities (\$4,775,000 FSA, \$516,000 FSA prior year recoveries). USAID will roll out improved medical and social services and facilitate the development of child welfare standards necessary for building a sustainable system to prevent child negligence and abandonment and reduce the number of children in institutional care. USAID will continue to support its psycho-social assistance to children in crises in the North Caucasus (NC) region. USAID will support the in-school program aimed at promoting healthy lifestyles among youth, and new partnerships with the Ministry of Health in the areas of children and families in crisis. Principal partners: International Exchange and Research Board (IREX), Johns Hopkins University (JHU), United Nations Children's Fund (UNICEF), American International Health Alliance (AIHA).

Prevent and Control Infectious Diseases of Major Importance (\$4,895,000 FSA). The TB control program will continue in eight regions of Russia, including the Russian Far East (RFE). USAID will continue efforts to introduce and expand treatment of multi-drug resistant (MDR) TB, infection control measures, and provision of care to TB patients for possible replication nationwide. The program will also refine TB-related national guidelines. In addition to TB-related activities, model TB/HIV co-infection sub-programs will start in prisons in three regions. USAID will also support vaccination interventions in the RFE as well as Hepatitis B prevention and control interventions in the RFE. Assistance will be provided to strengthen primary health care in the NC. Principal partners: World Health Organization (WHO), Department of Health and Human Services (HHS), International Federation of the Red Cross and Red Crescent Societies (IFRC), University Research Corporation (URC).

Reduce Transmission and Impact of HIV/AIDS (\$7,000,000 FSA, \$2,970,000 CSH). USAID HIV/AIDS prevention and care activities will strategically leverage resources and opportunities of other donors, such as the Global Fund, and will form synergistic partnerships with international organizations such as the United Nations Development Program (UNDP), non-government organizations (NGOs), businesses, and federal, regional, and local governments. The HIV treatment, care, and support initiative will continue in five regions to empower local leaders to help promote multi-sectoral collaboration; establish support for people living with HIV/AIDS; engage and strengthen NGOs working in prevention, care and support; ensure control of HIV transmission; and, build capacity to apply a quality improvement methodology. Finally, the U.S. Government, with USAID technical and financial support will continue the Bratislava Initiative - an agreement between Presidents Bush and Putin to jointly collaborate in addressing the global threat of HIV/AIDS. Principal partners: AIHA, Population Services International (PSI), Transatlantic Partners Against AIDS (TPAA), Centers for Disease Control and Prevention (CDC), the Joint United Nations Program on HIV/AIDS (UNAIDS), UNDP, IFRC, URC.

Support Family Planning (\$3,300,000 FSA, \$3,450,000 CSH carryover). USAID's support for quality reproductive health services will continue with an emphasis on preventing abortions. The program will focus on risky behavior in youth. A patient-centered coordinated system of care, providing family planning information, services, and contraceptive methods as a part of HIV prevention programs to people living with HIV/AIDS and their partners in three regions will be developed. The system will include AIDS centers, women's consultation centers, youth health centers, maternity houses, sexually transmitted infection (STI) clinics, narcological dispensaries, and NGOs working in the area of prevention. Another activity will decrease abortions and HIV/AIDS, STIs, and related risk behaviors by increasing young peoples' access to age-appropriate and culturally relevant reproductive health and family planning counseling and treatment services in the NC. A nationwide Couples' Campaign will engage men in reproductive decision-making, encourage family preservation, and child spacing. Principal partners: JHU, UNICEF, URC, AIHA.

**FY 2007 Program:**

Address Other Health Vulnerabilities (\$2,865,000 FSA). USAID will continue to develop a sustainable child abandonment prevention system to reduce the number of neglected children and children in institutional care. Programs addressing youth and families will continue, as will in-school programs aimed at youth. Principal partners: Same as above.

Prevent and Control Infectious Diseases of Major Importance (\$3,975,000 FSA). USAID will continue to strengthen pilot TB programs to serve as the model for greatly expanded World Bank/Government of Russia (GOR) and Global Fund grant programs. USAID will address TB/HIV co-infection, MDR TB treatment, and improvement of patients' compliance to therapy. HIV prevention sub-programs will start in prisons in two regions. Efforts to revive the primary health care system in the NC will be continued. Principal partners: Same as above.

Reduce Transmission and Impact of HIV/AIDS (\$5,321,000 FSA, \$2,970,000 CSH). USAID will work closely with UNAIDS, and the Global Fund. Technical support will continue to be provided to the GOR for implementation of HIV/AIDS and TB Global Fund grants. Additional NGOs will provide prevention services to the most at-risk populations. Access to treatment, care, and support services will increase. Policy and advocacy activities will increase national and local resources for HIV/AIDS programs. Principal partners: Same as above.

Support Family Planning (\$2,650,000 FSA). A new model of medical-social services on reproductive health for vulnerable groups, including vulnerable youth will be developed and piloted in two regions. Principal partners: Same as above.

**Performance and Results:** USAID leveraged \$210 million in GOR support to address HIV/AIDS and TB in Russia. GOR spending for HIV/AIDS is at \$27 million and is pledged to grow to \$120 million this year, in contrast to the \$4 million reported four years ago. While HIV/AIDS cases rose by 10% from last year, the number of patients treated with antiretrovirals (ARVs) remained below 2,000. However, services and training are in place to quadruple the cases treated in USAID-supported regions. A total of 65 health care facilities and 600 specialists were engaged in a treatment, care, and support initiative in five regions. To address MDR TB, two pilot treatment programs operated in two regions. About 240 patients were enrolled in pilot programs; 78 patients completed treatment, with a success rate exceeding 75%, whereas formerly the vast majority died within two to three years. More than 4,500 health professionals in the civilian and penitentiary systems were trained in TB-related subjects. A system of TB/HIV co-infection control started to operate nationwide. Over 180 child welfare services and 70 policies developed by 200 change agents helped 45,000 children stay in family care. Successful family planning models were replicated in 12 regions, covering 156 facilities. USAID expects a marked reduction in abortion rates, child abandonment rates, and HIV/AIDS and TB incidence in project sites. Social services for at-risk families will be more readily available, and foster programs will become a viable option for children currently in institutions.



## US Financing in Thousands of Dollars

Russia

118-0300 Infectious Diseases, Population, and Child Welfare	CSH	FSA
<b>Through September 30, 2004</b>		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
<b>Fiscal Year 2005</b>		
Obligations	0	0
Expenditures	0	0
<b>Through September 30, 2005</b>		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
<b>Prior Year Unobligated Funds</b>		
Obligations	3,450	516
<b>Planned Fiscal Year 2006 NOA</b>		
Obligations	2,970	19,970
<b>Total Planned Fiscal Year 2006</b>		
Obligations	6,420	20,486
<b>Proposed Fiscal Year 2007 NOA</b>		
Obligations	2,970	14,811
Future Obligations	0	0
Est. Total Cost	9,390	35,297

## US Financing in Thousands of Dollars

Russia

118-0321 Health and Child Welfare	CSH	ESF	FSA
<b>Through September 30, 2004</b>			
Obligations	10,500	0	46,275
Expenditures	1,278	0	24,469
Unliquidated	9,222	0	21,806
<b>Fiscal Year 2005</b>			
Obligations	3,066	1,283	19,800
Expenditures	6,431	0	0
<b>Through September 30, 2005</b>			
Obligations	13,566	1,283	66,075
Expenditures	7,709	0	24,469
Unliquidated	5,857	1,283	41,606
<b>Prior Year Unobligated Funds</b>			
Obligations	0	0	154
<b>Planned Fiscal Year 2006 NOA</b>			
Obligations	0	0	0
<b>Total Planned Fiscal Year 2006</b>			
Obligations	0	0	154
<b>Proposed Fiscal Year 2007 NOA</b>			
Obligations	0	0	0
Future Obligations	0	0	0
Est. Total Cost	13,566	1,283	66,229

## Data Sheet

<b>USAID Mission:</b>	Russia
<b>Program Title:</b>	Program Support and Special Initiatives Programs
<b>Pillar:</b>	Democracy, Conflict and Humanitarian Assistance
<b>Strategic Objective:</b>	118-0420
<b>Status:</b>	Continuing
<b>Planned FY 2006 Obligation:</b>	\$4,537,000 FSA
<b>Prior Year Unobligated:</b>	\$3,407,000 FSA
<b>Proposed FY 2007 Obligation:</b>	\$3,365,000 FSA
<b>Year of Initial Obligation:</b>	1999
<b>Estimated Year of Final Obligation:</b>	2012

**Summary:** USAID's cross-cutting programs include training, Global Development Alliance (GDA), program development and support, and special initiatives

### Inputs, Outputs, Activities:

#### FY 2006 Program:

Program Support (\$2,737,000 FSA, \$2,752,365 FSA carryover, \$204,408 FSA prior year recoveries). As a part of the overall participant training program, USAID will implement a Community Connections project. The broad public diplomacy goal of the Community Connections project is to contribute to economic and democratic reform, and to promote mutual understanding in Eurasia through exposure to American society and personal connections with Americans. Through local community host organizations in the United States, entrepreneurs, local government officials, legal professionals, civil society organizations leaders, and other professionals from Russia will be provided with a three to five week home stay-based program in the United States, tailored to their professional or business interests. To promote the GDA initiative, USAID will support public-private alliances to carry out activities under the USAID country strategy. USAID will implement dissemination grants across Russia for Regional Initiative sites. In addition, evaluations, assessment, and studies will assess and document program impact, identify implementation issues, make recommendations for their resolution, and improve understanding of Russia's development challenges. Principal partners: World Learning (prime), International Research and Exchanges Board (prime), Project Harmony (sub), and new partners to be determined (TBD).

Support Populations at Risk (\$1,800,000 FSA, \$450,000 FSA carryover supplemental). USAID will continue to support projects that help to mitigate conflict and promote ethnic reconciliation to populations at risk in the North Caucasus. Also, USAID, along with the rest of the international donor community, will begin to transition from humanitarian assistance to a more sustainable development approach during the life of the USAID country strategy to help integrate these communities into the social and economic mainstream. Principal partners: TBD.

#### FY 2007 Program:

Program Support (\$2,365,000 FSA). USAID intends to continue support for the goals of the Community Connections program, GDAs, as well as special initiatives in the Russian Far East. USAID plans to conduct studies, assessments, and related activities for program design and evaluation. Principal partners: Same as above.

Support Populations at Risk (\$1,000,000 FSA). USAID intends to continue support to populations at risk in the North Caucasus by helping to mitigate conflict, promoting economic viability, and reorienting affected communities into the social and economic mainstream. Principal partners: TBD

**Performance and Results:** In FY 2005, the Eurasia Foundation through its sub-grantee, the New Eurasia Foundation (FNE) responded to Russia's unmet needs in the area of socio-economic development through activities that combine the efforts of local institutions, businesses, and non-governmental organizations in order to develop social capital, and support social innovations. Projects implemented by FNE spanned over fifteen regions of the Russian Federation from Kaliningrad region to

the RFE. The thirteenth round of the Russian Longitudinal Monitoring Survey (RLMS) was completed in FY 2005. The survey was notable for the high quality of the data collected; the broad range of questions covered in the survey; and the public availability on the internet of the survey instrument, data, and analysis. The survey data allows continued monitoring of the potential for economic and health sector transition, and related problems that might occur in the Russian Federation. It also allows basic information needed for planning economic and social sector programs and policies available. The RLMS is now used by not only international agencies and a wide-ranging group of scholars in other countries but also by key Russian Federation government policy-makers and the large group of institutions and consultants actively involved in the policy transformation. The RLMS has been used as the main source of data for formulating programs and policies in the social sector from pension issues to housing to food and nutrition to other aspects of human resource and fiscal economics. For the first time, in 2004, co-funding was received from the Russian government - Pension Fund of Russian Federation. As part of the transition to self-sustainability, the American partner, the University of North Carolina at Chapel Hill, is reducing its role. By 2009, this will be limited to technical assistance and quality control monitoring. To improve the business climate in Sakhalin, USAID supported the Foundation for Russian American Economic Cooperation (FRAEC) and its American Business Center in Yuzhno-Sakhalinsk. The office is also a local base for the Regional Initiative Coordinator. FRAEC took a leading role in further development of the Russian American Pacific Partnership (RAPP), which held its tenth annual meeting in Yuzhno Sakhalinsk in September 2005. This year's RAPP meeting was attended by international and Russian oil and gas companies, shipping and logistics companies, telecommunications firms, and professional services organizations.

## US Financing in Thousands of Dollars

Russia

118-0420 Program Support and Special Initiatives Programs	AEEB	ESF	FSA
<b>Through September 30, 2004</b>			
Obligations	8	2,992	169,634
Expenditures	0	2,992	160,351
Unliquidated	8	0	9,283
<b>Fiscal Year 2005</b>			
Obligations	0	0	11,750
Expenditures	8	0	0
<b>Through September 30, 2005</b>			
Obligations	8	2,992	181,384
Expenditures	8	2,992	160,351
Unliquidated	0	0	21,033
<b>Prior Year Unobligated Funds</b>			
Obligations	0	0	3,407
<b>Planned Fiscal Year 2006 NOA</b>			
Obligations	0	0	4,537
<b>Total Planned Fiscal Year 2006</b>			
Obligations	0	0	7,944
<b>Proposed Fiscal Year 2007 NOA</b>			
Obligations	0	0	3,365
Future Obligations	0	0	0
Est. Total Cost	8	2,992	192,693