

Data Sheet

USAID Mission:	Uzbekistan
Program Title:	Small and Medium Sized Enterprises
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	122-0131
Status:	Continuing
Planned FY 2005 Obligation:	\$5,190,000 FSA
Prior Year Unobligated:	\$2,069,000 FSA
Proposed FY 2006 Obligation:	\$4,509,000 FSA
Year of Initial Obligation:	2001
Estimated Year of Final Obligation:	2007

Summary: USAID's program to improve the environment for the growth of small and medium enterprises includes training and technical assistance to increase opportunities to acquire business information, knowledge, and skills, support for more responsive financial institutions, instruments, and markets, and assistance to improve the implementation of laws and regulations.

Inputs, Outputs, Activities:

FY 2005 Program: Enhance Participation in Global Trade and Investment (\$951,000 FSA). USAID's Trade Facilitation and Investment Project will continue work with business associations and the host government to reduce trade barriers at the local and national level. The project will assist Uzbekistan's accession to the World Trade Organization (WTO), primarily by advising the Government of Uzbekistan (GOU) in its preparations for WTO accession, and reviewing and helping to bring existing legislation into compliance with WTO requirements. Work in the Ferghana Valley will bring businesspeople and local government officials together to identify and reduce constraints to trade and investment. Principal contractor/grantee: Pragma Corporation (prime).

Improve Economic Policy and Governance (\$1,308,000 FSA, \$757,000 FSA carryover). Depending on resource availability and the GOU's progress in implementing reforms, USAID may continue its assistance in land reform through a regional project that would include legal assistance to farmers. Depending on whether Uzbekistan is certified to have made progress in implementing reforms, USAID will work on building the capacity of local entities involved in economic analysis and advice, including economics universities and think tanks. Additionally, USAID will work with business associations to effect policy improvements by building their advocacy skills for policy change. Principal contractors/grantees: TBD.

Improve Private Sector Growth (\$1,580,000 FSA). Under USAID's Enterprise Development Project (EDP) support will be provided to expand opportunities for businesses to grow and become more competitive. As a result of this assistance, client firms' sales and productivity will increase. The project will continue to support the Certified International Professional Accountant training/testing/certification program. Principal contractor/grantee: Pragma Corporation (prime).

Enhance the Financial Sector's Contribution to Economic Growth (\$897,000 FSA, \$672,000 FSA carryover). USAID will continue supporting the rapidly growing microfinance sector. FV-Maard, a microfinance organization USAID helped establish, will be registered locally and expanded, reaching \$1.3 million in loan portfolio and serving over 5,000 clients. The number of partner credit unions will reach 20 across the country, with total membership expected to reach 20,000, and a corresponding growth in loan portfolio and savings. An association of credit unions will be created that will continue providing technical and advocacy services in a sustainable fashion to credit unions after USAID support is completed. USAID will continue to provide tailored training and expertise to local microfinance institutions, strengthening their capacity for growth and sustainability. FINCA, another new microfinance organization, will attain \$350,000 in loan portfolio serving 2,100 clients. Principal contractors/grantees: Agricultural Cooperative Development

International/ Volunteers for Overseas Cooperative Assistance (ACDI/VOCA) (prime) and World Council of Credit Unions (prime).

Expand and Improve Access to Economic and Social Infrastructure (school and higher education institutions) (\$454,000 FSA, \$640,000 FSA carryover). USAID will continue to strengthen the quality of business and economics programs in higher education institutions. The program will: develop stronger links among businesses and universities; create sustainable faculty development and advocacy mechanisms; and help move educational institutions towards international standards in economics and business education. USAID, in partnership with Junior Achievement Worldwide (JA), will provide business and economics training to middle and high school teachers and build administrative capacity in the JA local chapters. Principal contractors/grantees: JA (prime), TBD.

FY 2006 Program: Enhance Participation in Global Trade and Investment (\$910,000 FSA). USAID's Trade Facilitation and Investment project will continue work with associations and the Government to reduce trade and investment barriers on the local and national level through its offices in Tashkent and the Ferghana Valley. Principal contractor/grantee: Pragma Corporation (prime).

Improve Economic Policy and Governance (\$1,018,000 FSA). USAID will continue its work with universities, economic journalists, and think tanks to improve their policy-related analysis and research skills. Principal contractor/grantee: TBD.

Improve Private Sector Growth (\$1,499,000 FSA). Support will be provided to expand opportunities for businesses to grow and become more competitive. Principal contractor/grantee: Pragma Corporation (prime).

Enhance the Financial Sector's Contribution to Economic Growth (\$493,000 FSA). USAID will continue to assist microfinance institutions in strengthening their capacity for growth and sustainability. Support will be provided to the credit union association to strengthen its delivery of services to member credit unions and to the Central Bank on proper supervision and regulation. Principal contractor: ACDI/VOCA (prime).

Expand and Improve Access to Economic and Social Infrastructure (schools and higher education institutions) (\$589,000 FSA). The program will continue strengthening higher education in economics and business. Principal contractor/grantee: TBD.

Performance and Results: USAID's WTO accession-related assistance helped re-generate the GOU's interest and progress toward WTO accession. As a result of USAID's assistance, the organizational structure of the GOU's preparation process was significantly improved. Working groups on technical barriers to trade, intellectual property, and others were reactivated and a new working group was established on customs. USAID and Treasury experts helped the Center for Fiscal Policy analyze the tax burden on enterprises, and the findings resulted in the Cabinet of Ministers approving changes for computing profit taxes for enterprises so that most legitimate expenses are now tax deductible. USAID's Enterprise Development Project delivered business and trade advisory services to 102 small and medium enterprises in Tashkent and Ferghana City, resulting in a 43% increase in sales, a 39% increase in productivity, and 65 USAID-facilitated trade deals with a total value of over \$10.1 million. USAID's Central Asia Microfinance Alliance (CAMFA) project strengthened the capacity of four microfinance institutions. CAMFA helped these institutions procure and install management information and accounting systems, which enabled them to have accurate up-to-date information on their loan portfolios. Credit unions continued to experience strong growth despite extremely tight cash controls imposed on them, with total assets reaching \$2.3 million and savings growing to \$1.9 million, compared to \$600,000 and \$437,000 in September 2003, respectively.

By program's end, entrepreneurs and new labor entrants will have business skills, knowledge,

and information to better compete in a market economy. Public policy dialogue will improve. Think tanks and universities will be better equipped to conduct policy-relevant research. Entrepreneurs will have access to financial services, and Uzbekistan will have made significant progress towards WTO accession.

US Financing in Thousands of Dollars

Uzbekistan

122-0131 Small and Medium Sized Enterprises	FSA
Through September 30, 2003	
Obligations	14,278
Expenditures	6,092
Unliquidated	8,186
Fiscal Year 2004	
Obligations	4,772
Expenditures	7,571
Through September 30, 2004	
Obligations	19,050
Expenditures	13,663
Unliquidated	5,387
Prior Year Unobligated Funds	
Obligations	2,069
Planned Fiscal Year 2005 NOA	
Obligations	5,190
Total Planned Fiscal Year 2005	
Obligations	7,259
Proposed Fiscal Year 2006 NOA	
Obligations	4,509

Future Obligations	5,190
Est. Total Cost	36,008

