

Data Sheet

USAID Mission:	Uzbekistan
Program Title:	Energy and Water
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	122-0161
Status:	Continuing
Planned FY 2005 Obligation:	\$2,530,000 FSA
Prior Year Unobligated:	\$536,000 FSA
Proposed FY 2006 Obligation:	\$2,198,000 FSA
Year of Initial Obligation:	2001
Estimated Year of Final Obligation:	2007

Summary: USAID's energy and water program is helping Uzbekistan improve economic policy and governance; increase private sector growth; and expand and improve access to economic and social infrastructure through technical assistance and training. The Water for Poor Presidential Initiative is supported via activities noted below.

Inputs, Outputs, Activities:

FY 2005 Program: Improve Economic Policy and Governance (\$180,000 FSA, \$36,000 FSA carryover). In Central Asia, the Aral Sea Basin system includes rivers and associated hydropower facilities that are shared across several neighboring states. With independence, each of these countries has developed policies and practices that favor its own national interests at the expense of regional cooperation in the areas of water and energy. Through a program for regional cooperation in energy and water, USAID will continue to work with Uzbekistan authorities on bilateral and multilateral agreements for regional energy markets and water-sharing. Principal contractor/grantee: TBD.

Increase Private Sector Growth (\$730,000 FSA, \$500,000 FSA carryover). Agricultural Finance Plus (AgFin+) is part of USAID's agricultural development program, the purpose of which is to stimulate economic growth throughout the farm-to-market value chain. Agriculture plays a significant role in the economy of Uzbekistan, including 35% of employment. The AgFin+ program will increase the income of Uzbekistan's farmers by linking targeted groups of farmers to specific markets. Through training and technical assistance, AgFin+ will assist farmers to overcome constraints they face in delivering products to markets and to capture a return on their investment. The AgFin+ program, complementing USAID's economic development activities such as small business development, will also stimulate agriculture-related businesses (e.g., agri-services, agri-trade, and agri-processing), which are critical to the farm-to-market chain. Through improved production tied to specific markets, AgFin+ will link farmers to underserved markets, address financial constraints, provide on-farm support, and coordinate with other agricultural sector programs and institutions. Principal contractors/grantees: Development Alternatives, Inc. (DAI)(prime) and Winrock International (sub).

Expand and Improve Access to Economic and Social Infrastructure (\$1,620,000 FSA). The growth of rural economies in Central Asia depends on local control of resources and increased citizen participation in decision making. Local management of water resources is critical to the agricultural economy of Uzbekistan, which represents nearly 40% of GDP. USAID will increase its assistance to Water User Associations (WUA) in Uzbekistan to: promote and stimulate WUA policy and procedural reforms; develop irrigation system demonstration models; conduct public outreach campaigns; and implement a competitive small grants program to assist WUAs. Principal contractor/grantee: Winrock International (prime).

FY 2006 Program: Improve Economic Policy and Governance (\$150,000 FSA). Through a program for regional cooperation in energy and water, USAID will continue to work with Uzbekistan authorities on bilateral and multilateral agreements to support regional energy

markets and water-sharing. This may include activities related to energy efficiency and participation in the Central Asia Cooperation Organization's Water and Energy Consortium. Same implementer as above.

Increase Private Sector Growth (\$115,000 FSA). USAID will continue to invest in agricultural development through AgFin+ by expanding the number of target groups and markets, and assist them to identify opportunities and overcome constraints in the farm-to-market value chain. Same implementer as above.

Expand and Improve Access to Economic and Social Infrastructure (\$1,933,000 FSA). USAID will continue assistance to Water User Associations, including replication of efficient irrigation demonstration models, public outreach to farmers, the government, and other donors, and continued implementation of a competitive small grants program. Same implementer as above.

Performance and Results: In FY 2004 USAID programs assisted Uzbekistan to improve the management of water resources, and met or exceeded targets for nearly every indicator. The economy of Uzbekistan is highly dependent on the nation's agricultural sector, which relies on water for irrigation. There are approximately 4.3 million hectares of irrigated land in the country, and 63% of the Uzbek population is rural. USAID assistance to river basin and management organizations included: 1) procurement and installation of a voice communication system; 2) provision and installation of office information technology; 3) provision of vehicles and heavy construction equipment for irrigation system repairs, maintenance, and improvements; 4) designs and specifications for the procurement of automation equipment for major river facilities that allocate water resources; 5) upgrade and development of a computerized database for improving irrigation water demand and supply, forecasting, and management; and 6) training of management and operations personnel. The assistance and support provided by USAID to river basin and irrigation management organizations and WUAs has resulted in more accurate and reliable water management information and analysis and will have an impact on millions of people through improved water deliveries. The WUAs have improved infrastructure and communication systems, and have better trained technical and management staff. The project impacted approximately 20,000 hectares of land, 1,600 subsistence gardens, and 30,000 people. Among the most impressive results working with the WUAs was a reduction in soil salinity at one site by as much as 87%, and a corresponding crop yield increase of nearly 500%. Cotton yields on each of the demonstration plots increased by an average of 57% compared with previous years. These results are especially significant to farmers in a quota-based system because they are able to use less land to reach their required yields and other land for more profitable privatized crops.

USAID completed a program of improved access to potable water in the northern areas of Karakalpakstan, an area of western Uzbekistan critically impacted by the Aral Sea disaster. USAID's potable water accomplishments included: 1) increased access to potable water by rehabilitating a key water pumping station that brings water to over 160,000 people in the oblast capital of Nukus; 2) providing supplies and equipment needed for maintenance of existing pipelines that serve more than 330,000 people; 3) extending the drinking water delivery system to 50,000 additional residents through the provision of piping, equipment, and work vehicles; and 4) installation of three chlorination systems for water disinfection for two cities located outside of Nukus benefiting a combined population of 180,000.

By program completion, a greater number of WUAs will have improved water management practices and will operate in a more favorable legislative environment. An improved system of collecting, analyzing, and transmitting water data also will be fully implemented. Uzbekistan water and energy specialists and policy makers will improve regional cooperation over shared water and energy resources. The resulting increases in crop yields, productivity, and income will contribute to economic growth in Uzbekistan.

US Financing in Thousands of Dollars

Uzbekistan

122-0161 Energy and Water	FSA
Through September 30, 2003	
Obligations	4,315
Expenditures	828
Unliquidated	3,487
Fiscal Year 2004	
Obligations	4,370
Expenditures	4,427
Through September 30, 2004	
Obligations	8,685
Expenditures	5,255
Unliquidated	3,430
Prior Year Unobligated Funds	
Obligations	536
Planned Fiscal Year 2005 NOA	
Obligations	2,530
Total Planned Fiscal Year 2005	
Obligations	3,066
Proposed Fiscal Year 2006 NOA	
Obligations	2,198
Future Obligations	2,610
Est. Total Cost	16,559