

Europe Regional

The Development Challenge: USAID's review of country performance, which takes into account over two dozen transition indicators, shows that although considerably beyond Eurasia countries with respect to key democratic, economic, and social transition measures, the Southeast European transition countries lag behind the "northern tier" European countries that have graduated from bilateral USAID assistance. While moving in the right direction they still face a number of obstacles to reach these reform targets and ensure a sustainable transition. Unresolved ethnic tensions lay below the surface and could easily re-emerge without institutional mechanisms for inter-ethnic understanding and cooperation. Weak labor markets combined with large youth populations pose special challenges, and corruption remains an issue across the region.

Many of the European transition countries aspire to membership in regional organizations such as the European Union (EU) and NATO, and while countries scheduled for EU accession will gain immediate benefits, there may be a cost to those not yet ready for membership (e.g., The Former Yugoslav Republic of Macedonia, Albania, Kosovo, Serbia and Montenegro, Bosnia and Herzegovina, and Croatia). These entities are small and poorly integrated among one another, and maintaining momentum for reform among them will be particularly challenging.

The USAID Program: The regional program in Europe includes multi-country and region-wide interventions that promote the achievement of bilateral assistance goals, but cannot be easily funded bilaterally. The regional program focuses on four distinct types of activities: 1) analytical efforts which support strategic budgeting and performance monitoring; 2) economic and democracy initiatives which promote regional integration; 3) Administration priorities and Congressionally-mandated programs, particularly in health such as women's reproductive health and HIV/AIDS prevention; and 4) social capital and public/private alliance initiatives that foster irreversible reform.

1) Under sector-specific cross-cutting program support objectives, USAID will carry out an analytical agenda to strengthen strategic budgeting and program effectiveness. Activities will include monitoring and analysis of country progress, implementing a modest regional evaluation program, carrying out various sector-specific analyses, and maintaining demand-driven regional technical support and training contracts.

2) Economic growth activities support regional infrastructure development and foster innovative approaches to enhancing competitiveness and meeting international standards. Building on the successful Regional Infrastructure Project for Southeast Europe under the Stability Pact, USAID will establish three legacy institutions: the Balkans Infrastructure Development Facility (a revolving fund to develop public infrastructure in water, transportation and energy); the Balkans Infrastructure Investment Guarantee Fund (applying Development Credit Authority support to private investment in public infrastructure); and the Sava River Basin Commission for managing navigation and flood control. Other regional initiatives will seek to accelerate financial market integration, and promote the development and use of debt and mortgage instruments. In the energy arena, USAID assistance will create a regional electricity market in Southeast Europe and will support more efficient and reliable energy systems. In democracy, USAID will support the development of independent media, will continue to engage civil society in pressing for legal reform, will promote regional networking among local NGOs, and will promote cooperation among Balkan labor union leaders.

3) USAID will continue to carry out a number of activities under the social transition rubric in response to Congressional directives. These include efforts directed at infectious disease control (including tuberculosis control), HIV/AIDS, reproductive health, and iodine deficiency. In Southeastern Europe, a cross-border HIV/AIDS initiative will link NGOs to promote safer reproductive health practices. In addition, USAID will continue to support improved access to health through partnerships.

4) USAID will also support innovative regional initiatives aimed at fostering reform through strengthening values, and enhancing public/private alliances as part of the Global Development Alliance (GDA) effort.

Other Program Elements: The Europe regional program complements bilateral assistance programs and does not contain other program elements of its own.

Other Donors: Other donors are discussed in the country overviews of the bilateral programs supported by the regional program.

Data Sheet

USAID Mission:	Europe Regional
Program Title:	Fiscal Reform
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	180-0120
Proposed FY 2004 Obligation:	\$239,000 AEEB
Prior Year Unobligated:	\$484,000 AEEB
Proposed FY 2005 Obligation:	\$532,000 AEEB
Year of Initial Obligation:	FY 1997
Year of Final Obligation:	FY 2006

Summary: USAID's fiscal reform program promotes transparency and accountability in the region through development and implementation of programmatic interventions aimed at combating corruption and promoting integrity in targeted sectors and related implementing and supporting institutions that impact economic growth, the quality of governance, and public expenditure management. FY 2004 and FY 2005 funds will be used to support regional anti-corruption activities and provide technical support for field programs.

Inputs, Outputs, Activities:

FY 2004 Program:

Regional transparency, accountability, and anti-corruption (\$164,000 AEEB, \$336,000 AEEB prior year recoveries). Through results obtained from implementation and evaluation of field work and related regional activities, this activity provides USAID Missions in AEEB countries with: a) refined, practice-oriented diagnostic, analytical, and other programming tools to combat corruption and promote integrity in targeted sectors and related public and private sector institutions based on the Europe and Eurasia Bureau's strategic framework for combating corruption (Transparency-Accountability-Prevention-Enforcement-Education or "T A P E E"); and b) technical expert advice not available within USAID for mission support and management of regional projects. Contractors are Carana Corporation, University Research Corporation, and the IRIS Center, University of Maryland.

Program Development and Support (\$75,000 AEEB, \$148,000 AEEB carryover). The above program areas will be supported by program-funded technical staff and related support.

FY 2005 Program:

Regional transparency, accountability, and anti-corruption (\$300,000 AEEB). Through results obtained from implementation and evaluation of field work and related regional activities, this activity provides USAID Missions in AEEB countries with: a) refined, practice-oriented diagnostic, analytical, and other programming tools to combat corruption and promote integrity in targeted sectors and related public and private sector institutions based on the Europe and Eurasia Bureau's strategic framework for combating corruption (Transparency-Accountability-Prevention-Enforcement-Education or "T A P E E"); and b) technical expert advice not available within USAID for mission support and management of regional projects. Prime contractor same as FY 2004.

Program, Development and Support (\$232,000 AEEB). The above program areas will be supported by program-funded technical staff and related support.

Performance and Results: USAID's fiscal reform activities are achieving results that promote transparency and accountability and combat corruption and foster integrity in targeted public and private sector institutions, relationships, and transactions. The regional anti-corruption activity is generating, testing, implementing, refining, and evaluating new, practice-oriented diagnostic, analytical, and other programming tools tailored to the specific anti-corruption programming needs of USAID field missions.

This activity is: a) developing a state-of-the-art micro-analytic diagnostic tool, the Profile of Institutional Integrity Methodology and Assessment Tool, that will supplement existing macro-diagnostic surveys and lead to clearer indications for the design of USAID supported anti-corruption interventions; b) implementing pilot projects in that field test, refine, and validate the new diagnostic tools; c) developing a Model Scope of Work and commentary for USAID Missions and implementing partners on how to conduct an anti-corruption assessment in AEEB countries based on application of the new anti-corruption programming tools and the TAPEE strategic framework; d) developing a digest of practice-oriented anti-corruption programming materials relevant to practitioners in the AEEB region; and e) developing an analytical framework for anti-corruption and integrity-promoting activities in the AEEB region that builds on and supplements the TAPEE strategic framework.

Data Sheet

USAID Mission:	Europe Regional
Program Title:	Private Enterprise Development
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	180-0130
Proposed FY 2004 Obligation:	\$221,000 AEEB
Prior Year Unobligated:	\$1,758,000 AEEB
Proposed FY 2005 Obligation:	\$791,000 AEEB
Year of Initial Obligation:	FY 1996
Year of Final Obligation:	FY 2008

Summary: This regional program provides support for the Bureau's enterprise development work across the transition countries of Europe in small enterprise support and finance and in encouraging food industry cluster formation, competition, and trade.

Inputs, Outputs, Activities:

FY 2004 Program:

Encouragement of industry and agriculture cluster formation, competitiveness and trade on a regional basis (\$1,700,000 AEEB prior year recoveries). Contacts with industry and agricultural firms are being pursued throughout the region to identify clusters of business that are capable and committed to working together to produce quality products that respond to the demands of the markets in the region and beyond. Up to six clusters, either on a regional or country-specific level, will be selected for technical assistance. Opportunities to bring business, government, and civil society leaders together to increase the competitiveness of their countries and regions through regional competitiveness consultative councils will be developed and supported. In order to measure progress, assistance will be provided to include countries of the region in the annual Global Competitiveness Report published by the World Economic Forum. Technical assistance will be provided to all participating clusters on the standardization and harmonization of their products for international trade. Chemonics and Citizens Democracy Corps are currently implementing components of this activity with the implementers for the remaining components to be determined.

Program Development and Support (\$221,000 AEEB, \$58,000 Carryover AEEB) The above program areas will be supported by program-funded technical staff and related support.

FY 2005 Program:

Encouragement of industry and agriculture cluster formation, competitiveness, and trade on a regional basis (\$500,000 AEEB). The assistance to selected clusters will continue. USAID will work with the groupings of businesses to: better understand the demands of the markets; improve the business environment directly impacting the cluster; improve the productivity up and down the supply chain; and to participate actively in trade. Efforts to link business, government and civil society leaders will be continued. Implementers are to be determined.

Program Development and Support (\$291,000 AEEB). The above program areas will be supported by program-funded technical staff and related support.

Performance and Results: Nearly all USAID private sector programs have focused significant resources on improving the environment for private sector economic growth. In each country in the region, policy reforms and laws have been enacted to give the private sector greater access to information, credit, technology, markets, and an improved commercial, legal, and regulatory environment. Inputs include technical assistance and training directed at improving human resource knowledge and capacity, business management and information, commercial laws and regulations, and technology transfer. Land

reforms are being enacted enabling the use of land and property to be traded or consolidated to expand the productivity of previously dead assets and the development of a land market system. The private sector is rapidly gaining greater access to financial instruments and new markets. Trade and investment events have generated intra-regional export momentum. Competition among domestic businesses and farmer associations encourage firms and farmers, throughout the region, to improve product value and volume primarily for sale in domestic, regional, or European Union markets.

Data Sheet

USAID Mission:	Europe Regional
Program Title:	Strengthening the Financial Sector
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	180-0140
Proposed FY 2004 Obligation:	\$1,389,000 AEEB
Prior Year Unobligated:	\$416,000 AEEB
Proposed FY 2005 Obligation:	\$1,068,000 AEEB
Year of Initial Obligation:	FY 1992
Year of Final Obligation:	FY 2006

Summary: The goal of activities under this objective is to accelerate the development of sound, vibrant, private and competitive financial sectors in AEEB countries which promote growing financial intermediation in support of private sector development and sustainable economic growth. The focus of the regional activities is on the introduction of new products to broaden and deepen the financial sector, cross-border trading and risk management, institutional development and capacity building of financial and regulatory institutions, and anti-money laundering activities. A key element in all the programs is harmonization and meeting international standards to ensure faster integration of financial markets into the international financial system.

Inputs, Outputs, Activities:

FY 2004 Program:

Competitive financial markets (\$650,000 AEEB, \$250,000 AEEB carryover) and SME (\$60,000 AEEB carryover). USAID will provide technical support in select countries to structure and place sub-sovereign and corporate debt instruments. Building upon pilot projects in several countries, a comprehensive package of resource materials to support debt issuance in other countries in the region will be developed. Following a USAID-sponsored bond market conference in Budapest in May 2003, a number of participating financial intermediaries are preparing case studies of their innovative bond offerings, most of which were financings for SMEs. The studies will be widely shared in a subsequent workshop, via a dedicated website, and USAID's SME development network.

USAID will continue to assist in the development of secondary mortgage markets in Southeast Europe (SEE). Following the USAID-sponsored mortgage market conference in Sofia in February 2003, a number of the participants decided to establish a mortgage finance network for the region. The Southeast Europe Mortgage Finance Network (SEEMFN) is a public private partnership of local and foreign mortgage finance practitioners, donors and international financial institutions whose purpose is to promote stronger domestic mortgage markets and greater integration of the region's financial markets. USAID is providing financial support to the SEEMFN in its goals to promote the harmonization of mortgage laws, policies and procedures in the region based on international standards and best practices. The first activity is in detailed legal gap analysis in 5 countries -- Croatia, Bulgaria, Serbia, Macedonia and Romania. This will provide the basis for the development of strategies to promote standardization and harmonization of mortgage legal frameworks in the region, an important first step to promoting secondary mortgage market development. Other topics addressed by the SEEMFN, which meets every six months, include mortgage default insurance and a standardized underwriting manual.

In addition, USAID is funding a study to determine the feasibility of establishing a private Southeast Europe (SEE) Mortgage Fund which would acquire mortgage bonds or pools of mortgages from banks or other mortgage originating institutions in SEE countries. The securities would be issued into the Euromarket. This would provide local SEE financial institutions access to longer-term lower-cost funding from the international capital markets which is currently not available. Through its buying power, the Mortgage Fund would directly stimulate a cross-border secondary mortgage market along lines consistent

with international underwriting criteria, management information systems, and documentation. The principal contractors are Deloitte Touche and the Urban Institute

Partners for Financial Stability Expanded (PFS-E) (\$300,000 AEEB). This is a new regional activity focused on practical ways to harmonize financial market and related laws, policies, and practices in the region based on international standards. The primary PFS-E activities will be mortgage finance, municipal finance, bank supervision/restructuring, financial crimes and anti-money laundering, debt finance for SMEs, risk management, and pension reform. There will also be a focus on the role of the judiciary in the adjudication and enforcement of laws and regulations in these areas. Through regional workshops and assessments, the establishment of regional working groups and networks, innovative pilot programs, knowledge management and the promotion of regional private sector funds, the PFS-E is designed to catalyze the private and public financial sector actors and institutions in the AEEB region to promote and advocate for change. Principal contractor/s is to be determined.

Policy and technical support to missions (\$439,000 AEEB, \$106,000 AEEB carryover). Supports technical expertise for financial sector reform in the region.

FY 2005 Program:

PFS-E (\$500,000 AEEB). All activities that had contributed to competitive financial markets will be subsumed under the new PFS-E program as described above. The focus of these activities will be on innovative financing structures, and regional integration and harmonization based on best practices and international standards. The SEEMFN will continue to be supported. Additional support for a SEE Mortgage Fund is contemplated. Two conferences, one on Current Issues in Risk Management and Bank Supervision, and one on SME debt finance will also be held. Principal contractors are Deloitte Touche, and Urban Institute and potentially others for PFS-E.

Policy and technical support to missions (\$568,000 AEEB). These funds will support technical expertise for financial sector reform in the region.

Performance and Results: The Southeast Europe Mortgage Finance Network had been established and two meetings have been held focusing on comparative legal analysis and a workplan for harmonizing mortgage underwriting standards manual has been discussed. A website for this network has been established. The success of PFS in promoting stronger financial sectors in the Northern Tier countries has formed the basis for development of PFS-Expanded which will promote better functioning financial markets in other EE regions.

Data Sheet

USAID Mission:	Europe Regional
Program Title:	Sustainable Energy Systems
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	180-0150
Proposed FY 2004 Obligation:	\$1,645,000 AEEB
Prior Year Unobligated:	\$2,110,000 AEEB
Proposed FY 2005 Obligation:	\$1,349,000 AEEB
Year of Initial Obligation:	FY 1991
Year of Final Obligation:	FY 2007

Summary: The regional energy program increases regional cooperation in electricity, heat, energy efficiency, and natural gas and promotes harmonization of regulatory and market development approaches to facilitate trade and investment.

Inputs, Outputs, Activities:

FY 2004 Program:

Improve Policy and Energy Regulatory Capacities (\$400,000 AEEB). The development of professional, independent energy regulatory organizations is essential to attract investment and create efficient and financially viable energy systems in this region. Nineteen countries in the Europe and Eurasia region have established such bodies and are members of the Energy Regulators Regional Association (ERRA). This program element finances a cooperative agreement with the US National Association of Regulatory Utility Commissions (NARUC) to support the professional development programs and exchange of regulatory information and experience of the ERRA. The regulators work together on practical, common issues in tariff policy and implementation, licensing and standards, market design and operation, public involvement, and anti-corruption.

Establish Balkan Regional Electricity and Gas Markets (\$1,000,000 AEEB carryover, \$1,000,000 AEEB prior year recoveries). The Energy and Economic Ministers of the Balkans agreed in Athens on November 15, 2002 and again in December 2003, to work together to create a Southeast Europe regional electricity market integrated with the internal EU electricity market by 2005. USAID is participating in a multi-donor process to support this initiative and is financing: 1) harmonization of legal and regulatory frameworks; 2) development of transparent and standard electricity commercial trading and contracting mechanisms; 3) implementation of the plan USAID previously helped to develop for a tele-information system connecting national dispatch centers; and 4) planning of transmission grid development and identification of priorities for investment. Principal contractors/grantees are Pierce Atwood, Hunton and Williams, U.S. Energy Association, National Association of Regulatory Utility Commissioners, Electrotek Concepts, Montgomery Watson Harza.

Promote Private Financing and Investment in Energy Efficiency (\$750,000 AEEB). USAID has been working with municipal governments and private/NGO groups to overcome barriers to commercial financing of energy efficiency. Funding support will continue to develop innovative policies and projects and disseminate the results throughout the region through the region-wide Municipal Energy Efficiency Network (MUNEE) and project development activities in the Balkans involving: 1) an Alliance to Save Energy activity with the Bulgarian Energy Efficiency Center and other NGOs on municipal energy efficiency activities; 2) Nexant efforts in Romania, Bulgaria, Serbia, Croatia, and Macedonia on municipal heat and efficiency planning and project development for funding by the World Bank, European Bank for Reconstruction and Development, and commercial lenders; 3) support for a Development Credit Authority loan guarantee program involving private banks and energy service companies to finance projects. Contractors are the Alliance to Save Energy and Nexant.

Provide policy and technical support (\$495,000 AEEB, \$110,000 AEEB carryover). This element of the program is financing regional analyses on energy infrastructure development issues, e.g., low-income energy needs and strategies, and electricity transmission system development and electricity trade in the Black Sea region, as well as providing critical technical expertise to support mission programs and manage regional contracts.

FY 2005 Program:

Improve Energy Regulatory Capacities (\$650,000 AEEB). USAID will provide continued funding to NARUC for the Energy Regulatory Regional Association. The emphasis in FY 2005 will be on establishment of the institutional arrangements to expand training development and delivery and activities that seek to move ERRA towards greater financial sustainability and cost-sharing. Close coordination will be pursued with the Council of European Energy Regulators (CEER) to seek their support for ERRA activities.

Promote Private Financing and Investment in Energy Efficiency (\$125,000 AEEB). USAID has been working with municipal governments and private/NGO groups to overcome barriers to commercial financing of energy efficiency. Funding support will continue to develop innovative policies and projects and disseminate the results throughout the region through the region-wide Municipal Energy Efficiency Network (MUNEE) and project development activities in the Balkans involving: 1) an Alliance to Save Energy activity with the Bulgarian Energy Efficiency Center and other NGOs on municipal energy efficiency activities; 2) Nexant efforts in Romania, Bulgaria, Serbia, Croatia, and Macedonia on municipal heat and efficiency planning and project development for funding by the World Bank, European Bank for Reconstruction and Development and commercial lenders; 3) support for a Development Credit Authority loan guarantee program involving private banks and energy service companies to finance projects. Contractors are the Alliance to Save Energy and Nexant.

Provide policy and technical support (\$574,000 AEEB). This element of the program is financing regional analyses on energy infrastructure development issues, e.g., low-income energy needs and strategies, and electricity transmission system development and electricity trade in the Black Sea region, and providing critical technical expertise to support assistance programs.

Performance and Results: USAID regional energy programs have achieved significant results by focusing resources on strategic regional institutional development. Several highlights from this performance are: 1) a success story has been the development, through a cooperative effort with NARUC of the Energy Regulators Regional Association, an independent association of 19 national energy regulatory agencies legally registered in Hungary, and the improvement of the knowledge and credibility of the new energy regulatory agencies; 2) under a partnership with the Alliance to Save Energy, a network of committed NGOs and private organizations has been established through which lessons in municipal efficiency and heat projects have been disseminated and municipal capabilities increased; 3) USAID regional efforts in regulation and transmission system development have been instrumental in securing political support by the Balkan governments for the creation of a regional electricity market in the region; and 4) USAID has worked with the international financial institutions and commercial lenders to develop model municipal energy efficiency projects in Romania, Bulgaria, Serbia, and Croatia.

Data Sheet

USAID Mission:	Europe Regional
Program Title:	Better Environmental Management
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	180-0160
Proposed FY 2004 Obligation:	\$1,409,000 AEEB
Prior Year Unobligated:	\$2,246,000 AEEB
Proposed FY 2005 Obligation:	\$856,000 AEEB
Year of Initial Obligation:	FY 1990
Year of Final Obligation:	FY 2006

Summary: Abuse of the environment and the failure to price water and public services under socialist governments took their toll on environments and citizens of the Central and Eastern Europe. The transition to free markets provides unique opportunities to introduce innovative approaches to incorporating efficiencies of cleaner production into the industrial cycle and to end subsidies which waste power, water, and raw materials and create inefficient public utilities. This program develops partnerships between U.S. firms and businesses and municipalities to solve environmental problems, supports Stability Pact infrastructure efforts in Southeastern Europe, and promotes private sector investment in public infrastructure across the region.

Inputs, Outputs, Activities:

FY 2004 Program:

Regional Infrastructure Program (\$500,000 AEEB, \$1,900,000 AEEB carryover). The principal objective of the Balkans Regional Infrastructure Program (RIP) is to facilitate infrastructure projects throughout Southeast Europe while improving regional capability for sustainable public utilities and transport agencies.

Recognizing the limitations of grants as well as the sovereign borrowing capacity of Southeastern European nations to meet the region's need for improved infrastructure, RIP has developed an innovative concept termed the Balkans Infrastructure Development Facility (BIDFacility). This new institution will use a revolving fund of \$10 million to develop public infrastructure projects in water, energy, and transport for private sector investment, recouping the costs of preparation from successfully-financed projects. The International Finance Corporation (IFC) has joined with USAID to raise the needed capital from various European donors. USAID pledged resources of \$1.5 million were initially joined by IFC's pledge of \$1.5 million. The balance of \$7 million was raised from Austria, Italy, Greece, the Netherlands, Norway and Switzerland. BIDFacility will open its doors in Sofia in 2004. The grantee is the International Finance Corporation.

The final component of the RIP is a proposed Balkans Infrastructure Investment Guarantee (BIIG) Fund utilizing USAID's Development Credit Authority to create partial guarantees to attract private sector investment to the water, energy and transportation public infrastructure sectors of Southeast Europe. Technical assistance is provided through Booz Allen Hamilton.

Strategic Support for Infrastructure Finance (\$500,000 AEEB). Mobilizing capital for public infrastructure across the former socialist nations of Europe and Eurasia is one of the greatest challenges facing the region. Nothing is more fundamental to securing a healthy population and a growing economy than clean water, reliable power, and transportation that enables goods to flow freely. The capital that makes these things happen is not coming easily. This three-year strategic support initiative will ensure that USAID applies the sharpest and best tools to this difficult task. Contractor to be selected.

Environmental impact compliance (\$75,000 AEEB, \$75,000 AEEB carryover). Each USAID activity must go through environmental impact assessment prior to obligation, pursuant to the Agency's federal impact assessment regulations (22 CFR 216). The E&E Bureau processes over 150 impact assessments annually. This funding provides technical support to ensure that potentially significant adverse environmental impacts are identified prior to project start-up and mitigated to acceptable levels. Also during this year an analysis of the impacts of privatization and land tenure changes will be completed. SETA subcontract to DevTech Systems.

Provide policy and technical support (\$334,000 AEEB, \$271,000 AEEB carryover). This element of the program provides critical technical expertise in land tenure, biodiversity conservation and impact analysis used to support mission programs and evaluate environmental impacts.

FY 2005 Program:

Strategic Support for Infrastructure Finance (\$125,000 AEEB). During this second year strategic support to infrastructure finance activities supported both through regional funding and USAID Mission buy-ins and will enable better sharing of program design approaches among Missions, better focusing of USAID resources to mobilize domestic capital for infrastructure need in assistance countries and the building of alliances with private sector investors. Contractor to be selected.

Environmental impact compliance (\$100,000 AEEB). This funding will continue to provide technical support, helping to ensure that potentially significant adverse environmental impacts are identified prior to project start-up and mitigated to acceptable levels. SETA subcontract to DevTech Systems.

Provide policy and technical support (\$631,000 AEEB). This element of the program provides critical technical expertise in land tenure, biodiversity conservation and impact analysis used to support mission programs and evaluate environmental impacts.

Performance and Results: Under the RIP, results during 2003 were impressive. Most encouraging was the identification of donors to finance the BIDFacility revolving fund, leveraging \$8.5 million with only \$1.5 in USG resources. The BIDFacility is estimated to generate over \$1 billion in private sector investments in the public infrastructure over the next ten years. In other results under the RIP, nearly a billion euro of water and transportation infrastructure project investments were facilitated by technical assistance delivered through the RIP in 2003. These projects include water facilities in Serbia and Romania; a major highway project in Romania (Nadlac-Deva) and marine port projects in Bulgaria (Lom) and Albania (Durrës). A major new program to bring a 240 million euro package of European Union grants together with international loans for small and medium towns and cities in Romania titled SAMTID was launched; further technical assistance to the Government of Romania on this new program will be provided by the European Union in 2004 and beyond.

The E&E Bureau processes over 150 impact assessments annually. While no programs were significantly delayed or cancelled due to environmental compliance requirements, many were brought into compliance by careful design of mitigation measures to ensure minimal environmental damage while still meeting USAID development objectives.

Data Sheet

USAID Mission:	Europe Regional
Program Title:	Civil Society
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	180-0210
Proposed FY 2004 Obligation:	\$1,227,000 AEEB
Prior Year Unobligated:	\$615,000 AEEB
Proposed FY 2005 Obligation:	\$1,593,000 AEEB
Year of Initial Obligation:	FY1989
Year of Final Obligation:	FY 2006

Summary: USAID increases the quality and quantity of citizen participation in the political and economic decision-making in Southeastern Europe through programs consisting of grants, training, technical assistance, and publications in the following areas: Civil society and NGO strengthening; Independent media support; Regional labor networking; and Program development support.

Inputs, Outputs, Activities:

FY 2004 Program:

Civil society and NGO strengthening (\$554,000 AEEB). The Regional Networking Program (RNP) strengthens the capacity of local NGOs and think tanks to inform public opinion and to influence public policy in order to accelerate the region's transition to open political and economic systems. FY 2004 priorities include grants for cross-border reform projects between Central and Eastern Europe (CEE) and Eurasia organizations; institutional grants to four leading regional think tanks; and a conference to share lessons learned between professionals promoting the development of the NGO sectors in the region. The principal grantee is Freedom House.

The NGO Legal Reform Initiative (NGOLRI) (\$150,000 AEEB) will continue to work throughout CEE to develop legal frameworks that allow NGOs to play a constructive role in their communities. FY 2004 activities include regional workshops, analytical publications and comparative surveys, fellowship programs, and educational activities. Additionally, the capacity of the European Center for Not-for-Profit Law, an indigenous regional resource center in Budapest that will continue work in this area after this program ends in 2005, will continue to be strengthened. The principal grantee is the International Center for Not-for-Profit Law (ICNL).

The NGO Sustainability Index (NGOSI) (\$95,000 AEEB) is a comprehensive and comparative study of the strength and viability of NGO sectors in the region. FY 2004 funds will be used to contract out the production of the eighth edition of the Sustainability Index for the first time. Additionally, a compendium report will be compiled on Lessons Learned in NGO Financial Viability to provide a detailed look at NGOs who have succeeded at raising significant levels of funding from local sources. The primary contractor will be determined.

Nations in Transit (NIT) (\$125,000 AEEB) is a comprehensive annual progress report on the democratic transition in the E&E region. FY 2004 funds will update NIT's methodology; publish the eighth edition of the report, including a new political prescriptions section for each country; and expand media coverage and policy events to highlight NIT findings. The principal grantee is Freedom House.

Independent media support (\$400,000 AEEB prior year recoveries). The Regional Media Program strengthens independent print and broadcast media in the region. FY 2004 priorities include encouraging more cross border and regional investigative reporting; monitoring media legal issues, including the drafting and implementation of media laws; defining best practices in media development; and assessing

and ranking media systems in the region through the Media Sustainability Index (MSI). The principal grantee is the International Research and Exchanges Board (IREX).

Regional labor networking (\$200,000 AEEB). USAID promotes multinational cooperation among Balkan labor activists by bringing together union leaders and members to establish a regional network that will endure beyond the life of this activity. FY 2004 priorities include regional meetings; exchanges on post-privatization and other key topics; improvement of technical communications capabilities; and educational outreach. The principal grantee is the American Center for International Labor Solidarity (ACILS).

Program development support (\$103,000 AEEB, \$215,000 AEEB carryover). The above program areas will be supported by program-funded technical staff and related support.

FY 2005 Program:

Civil society and NGO strengthening (\$575,000 AEEB). In FY 2005, RNP will finalize its efforts to consolidate a regional network of NGOs, with continued emphasis on transferring CEE reform experience to Eurasia countries. The NGOLRI will continue to develop the capacity of ECNL to serve SEE countries and institutionalize NGO law in university curricula. Ninth editions of the NGOSI and NIT will be published. Technical assistance will be provided to USAID missions and partners to help them develop approaches and tools to incorporate lessons learned from the NGO financial viability study. FY 2005 funds will be used to expand the Roma Support Program to include other countries in Southeastern Europe and, with FSA funds, Eurasia.

Independent media support (\$400,000 AEEB). The Regional Media Program will continue to support regional and cross-border media development activities. Support of investigative reporting on cross-border issues, including trafficking in persons, will increase the potential support of a regional investigative journalism training center. The MSI will continue to be supported, as will the annual media conference.

Regional labor networking (\$300,000 AEEB). The sharing of lessons learned and best practices between labor activists in the Balkans will continue.

Program development support (\$318,000 AEEB). Program-funded staff, travel, conferences and meetings will continue to support the above program areas.

Performance and Results: RNP awarded over 40 grants to NGOs in the region to advance democratic reforms. NGOLRI regional activities contributed to the passage of several new laws benefiting NGOs in the region; the education of more than 400 students on NGO law; and the registration of the European Center for Not-for-Profit Law.

The Regional Media Program published the second edition of the MSI, organized a conference for media professionals in the region, promoted the publication of investigative reporting, and supported production of two local TV projects.

Five regional labor roundtables were held, leading to the development and implementation of action plans. A website has been created for use in training sessions and by the educators to exchange best practices. Labor activists in the region have been emboldened to undertake more ambitious programs and coordinated actions.

Data Sheet

USAID Mission:	Europe Regional
Program Title:	Rule of Law
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	180-0220
Proposed FY 2004 Obligation:	\$0
Prior Year Unobligated:	\$1,154,000 AEEB
Proposed FY 2005 Obligation:	\$178,000 AEEB
Year of Initial Obligation:	FY 1989
Year of Final Obligation:	FY 2006

Summary: USAID's rule of law program promotes legal systems that better support democratic processes and market reforms through training, grants, and technical assistance in the following areas: regional approaches to legal education, including distance learning; building and enhancing the sustainability of local legal reform organizations; and support to missions in determining strategic and programmatic approaches in rule of law and anti-corruption.

Inputs, Outputs, Activities:

FY 2004 Program:

Justice sector strengthening (\$250,000 AEEB carryover). USAID will continue to fund advisors to provide organizational development assistance to key legal reform partner NGOs in Europe. The principal grantee is American Bar Association/Central European and Eurasian Law Initiative.

Distance learning (\$383,000 AEEB prior year recoveries). In furtherance of the distance learning program, course material will be developed for legal distance learning programs as contemplated by the agreements made by Florida State University with the University of Bucharest (Romania) and Saint Petersburg University (Russia). The principal grantee is Florida State University (FSU).

Stability Pact Anti-Corruption Initiative (SPAI) (\$350,000 AEEB carryover). SPAI fosters more effective implementation of anti-corruption reforms within participating countries. ABA/CEELI provides support to increase regional ownership of the SPAI and enable the Regional Secretariat Liaison Office (RSLSO) to monitor implementation of targeted anti-corruption reforms. Specifically, ABA/CEELI will assist RSLSO to serve as the venue for the conduct of anticorruption training, SPAI meetings, and regional information exchange. The RSLSO will concurrently function as the focus and forum for the conduct of public awareness campaigns against corruption. ABA/CEELI will also administer small grants for projects that support SPAI. Grantees are ABA/CEELI and local legal reform organizations.

Program support (\$171,000 AEEB carryover). USAID support to Europe missions will continue with assessments, strategy advice, workshops, and program design assistance to support mission rule of law and anti-corruption objectives.

FY 2005 Program:

Program support (\$178,000 AEEB). USAID support to Europe missions will continue with assessments, strategy advice, workshops, and program design assistance to support mission rule of law and anti-corruption objectives.

Performance and Results: Through the justice sector strengthening activity, ABA/CEELI provided comprehensive organizational development assistance to key legal reform partner NGOs in Europe. ABA/CEELI's priority partners have demonstrated significant progress toward organizational and financial sustainability and increased partnership activity. In furtherance of the distance learning program, FSU prepared and USAID approved a business and sustainability plan and assessment findings.

Two additional country assessments were completed in FY 2003 and early FY 2004 (Bulgaria and Russia) under the E&E Regional Rule of Law Impact Assessment program begun in October 2001, bringing to eight the total number of E&E country assessments completed. The eight country assessment findings will be synthesized into a final report on rule of law impact experience in the E&E region in early calendar year 2004. USAID assistance, including a needs assessment, activity design, and preparation of a scope of work to support the establishment of a special court facility, helped to strengthen the capacity of the Serbian government to domestically try organized crime and war crime cases.

Data Sheet

USAID Mission:	Europe Regional
Program Title:	Local Government and Urban Development
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	180-0230
Proposed FY 2004 Obligation:	\$133,000 AEEB
Prior Year Unobligated:	\$1,046,000 AEEB
Proposed FY 2005 Obligation:	\$145,000 AEEB
Year of Initial Obligation:	FY 1997
Year of Final Obligation:	FY 2006

Summary: The Local Government Program consists of activities to strengthen the work of local governments and other groups. Regional Networking encourages local government reform and the transfer of knowledge and practices among countries of Eastern Europe and Eurasia through seminars, workshops, and conferences on topics of importance to local governance and decentralization.

Inputs, Outputs, Activities:

FY 2004 Program:

LOGIN Networking (\$125,000 AEEB). In FY 2004, there will be marketing of LOGIN Internet, a web-based resource for local governments and related institutions in Eastern Europe and Eurasia. There will also be a dissemination of publications produced under the Fiscal Decentralization Initiative. LOGIN Regional Networking will also commission the publication of a background paper for a conference to be held in 2005 in the E&E region. The implementing partner is the Open Society Institute of Budapest.

Strengthening Local Government in Southeast Europe (\$915,000 AEEB carryover). Funds will be used to support additional activities to strengthen the work of local governments and other groups in support of projects that directly complement or contribute to the goals and objectives of Stability Pact Working Table One as previously notified. The grantee is Catholic Relief Services.

Program Development Support (\$8,000 AEEB, \$131,000 AEEB carryover). Program-funded staff will continue to support the above program areas.

FY 2005 Program:

Program Development and Support (\$145,000 AEEB). Program-funded staff will continue to oversee activities that are closing out and provide expert technical assistance to the field on local government matters.

Performance and Results: Regional Networking encourages local government reform and the transfer of knowledge and practices among countries through seminars, workshops, and conferences on topics of importance to local governance and decentralization. These activities promote East-East cooperation among local government leaders, technical specialists and institutions and enable transition countries to learn from each other's experience. LOGIN Regional Networking also provides training and information-sharing opportunities to USAID activity managers and implementing partners on technical subjects of importance to USAID's local government programming. When possible, USAID tries to leverage resources by jointly sponsoring events with other donors. Course materials and manuals developed for these activities are also disseminated to the counterparts through the LOGIN internet network.

Data Sheet

USAID Mission:	Europe Regional
Program Title:	Health Promotion and Care
Pillar:	Global Health
Strategic Objective:	180-0320
Proposed FY 2004 Obligation:	\$2,019,000 AEEB; \$250,000 CSH
Prior Year Unobligated:	\$571,000 AEEB; \$250,000 CSH
Proposed FY 2005 Obligation:	\$1,522,000 AEEB; \$250,000 CSH
Year of Initial Obligation:	FY 1998
Year of Final Obligation:	FY 2008

Summary: The regional program makes USAID's health investments more cost-effective by enhancing and securing the results of the bilateral programs and by filling critical gaps not addressed through country-specific programs. Through technical assistance, training, analysis, and outreach, the programs increase knowledge for region-wide reform efforts; share/assure the application of critical health information across the region. FY 2004 and FY 2005 programs reflect the higher priority given to controlling HIV/AIDS, while recognizing the importance of seeing the fight against HIV/AIDS within the context of broader health issues and health care systems.

Inputs, Outputs, Activities:

FY 2004 Program:

Prevent the spread of HIV/AIDS and expand the care and treatment programs for HIV/AIDS victims (\$793,000 AEEB, \$90,000 AEEB carryover, \$250,000 CSH, \$250,000 CSH carryover). Cross-border activities to control the epidemic include regional training, NGO strengthening and technical assistance. Regional funds will provide short-term, targeted technical assistance to support AEEB countries in their application for grants from the Global Fund to fight AIDS, Tuberculosis and Malaria (GFATM), as well as in the implementation of GFATM activities. The Southeast Europe HIV/AIDS Initiative (RiskNet) will build NGO capacity to collaborate in cross-border prevention activities and increase HIV/STI prevention work among high risk groups. YouthNet will bring HIV information and education services to broader youth populations. It will build regional capacity to implement peer education programs and to empower youth to become active partners in the effort to control the epidemic. The American International Health Alliance (AIHA) Health Partnerships program will disseminate HIV/AIDS publications and increase access to HIV/AIDS information through its EurasiaHealth Website. Other activities include: inputs to an updated regional health strategy; a regional assessment of HIV/AIDS activities to date; a workshop on antiretroviral (ARV) therapy; exploration of a regional HIV/AIDS network; and sharing of lessons learned at a regional health officers' workshop. Principal partners are Family Health International, Population Services International, Synergy Project, GFATM, UNFPA, and AIHA.

Control the spread of drug-susceptible and drug-resistant tuberculosis (TB) and other infectious diseases (\$293,000 AEEB; \$350,000 AEEB carryover). The program includes efforts to increase high-level political support in the region for the International/ DOTS (Directly Observed Treatment Short Course) TB control strategy. USAID expects to design and establish an E&E regional TB network to improve the sharing of best practices across borders, including experience with MDR-TB. Regional funds will support translation and distribution of international technical documents and protocols. There will also be targeted, short-term technical assistance to countries preparing GFATM TB proposals and for GFATM program implementation. AIHA will disseminate information on infection control and develop a model safe-blood volunteer program. Other regional activities include inputs to an updated regional health strategy and a regional health officers' workshop. Principal partners are the World Health Organization, Tuberculosis Coalition for Technical Assistance, and AIHA.

Address critical health issues related to child survival, maternal health, vulnerable children, and other causes of mortality and morbidity (\$566,000 AEEB). Prevention of iodine deficiency disorder (IDD) will address the leading preventable cause of mental retardation in Europe. AIHA's information dissemination will support primary health care, neonatal resuscitation, and nursing services. AIHA's 37 Learning Resource Centers supply health professionals with current information on the most effective practices within their specialization. Other activities include an assessment of the causes and trends in morbidity and mortality with a focus on infants, children, and cardiovascular disease; and inputs to an updated regional health strategy and a regional health officers' workshop. Principal grantees and agencies include AIHA, Kiwanis, and UNICEF.

Strengthen reproductive health care (RHC) (\$367,000 AEEB). The regional program links RHC in four women's wellness centers, two primary health care centers and two healthy communities. These networks identify, develop, and disseminate lessons learned and improve treatment guidelines. AIHA will disseminate RHC information through its publications program and EurasiaHealth Network website. Regional funds will also support a regional RHC impact study, inputs to a regional health officers' workshop and an updated regional health strategy. The principal is AIHA. All family planning agreements will incorporate clauses that implement the President's directive reinstating the Mexico City Policy.

Program Development Support (\$131,000 AEEB carryover). Program funded staff, travel, conferences and meetings will continue to support the above program areas.

FY 2005 Program:

Across all technical areas, regional funds will support additional analysis, outreach, and staff assistance to inform effective program implementation. In the specific technical areas programs will:

Prevent the spread of HIV/AIDS/ID (\$800,000 AEEB, \$250,000 CSH). USAID expects to continue RiskNet, YouthNet and targeted assistance for GFATM-related activities. Assistance related to care and support activities may be expanded and a regional HIV/AIDS network may be launched. Additional analysis will further inform effective program implementation. AIHA will continue its support to the regional MTCT training and information dissemination activities.

Control the spread of TB and other infectious diseases (\$252,000 AEEB). USAID expects to strengthen regional TB networks, continue targeted assistance for GFATM-related activities, and continue its infection control information dissemination activities.

Improve child survival, maternal health and health reform (\$220,000 AEEB, \$400,000 AEEB prior year recoveries). Additional funding will consolidate efforts to reduce IDD. AIHA will continue information dissemination in the areas of primary care and neonatal resuscitation.

Strengthen RHC (\$250,000 AEEB). AIHA will continue to maintain RHC networks and disseminate information relating to reproductive health.

Performance and Results: In Kosovo, DOTS coverage has reached 100% and treatment success rates are approaching the WHO target of 85%. In Latvia, acquired MDR-TB has decreased from 54% to 28%, partially through assistance to the National TB and Lung Disease Center. That Center has trained 81 clinicians from eight countries in MDR-TB. In Estonia, a TB care and treatment model has been developed and Latvia has improved coordination among TB and HIV specialists. The Southeastern Europe HIV/AIDS Initiative has linked NGOs, helped them reach high-risk behavior groups more effectively and translated/distributed the brochure, "Not Worth the Risk" into Croatian, Romanian, Macedonian, and Bulgarian. USAID assistance helped four CEE countries receive GFATM grants totaling \$49.7 million. In FY 2003 Macedonia became the first E&E country to announce the elimination of IDD as a public health problem. The Women's Wellness Center in Tirana, Albania is providing training and assistance to two such centers in Kosovo. The Ministries of Health and Interior in Romania are supporting nationalization of the domestic violence prevention program developed through USAID's Healthy Community partnership program. AIHA's EurasiaHealth Web site received over 20,000 unique visitors per month.

Data Sheet

USAID Mission:	Europe Regional
Program Title:	Social Sector Reform
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	180-0340
Proposed FY 2004 Obligation:	\$223,000 AEEB
Prior Year Unobligated:	\$1,601,000 AEEB
Proposed FY 2005 Obligation:	\$1,080,000 AEEB
Year of Initial Obligation:	FY 2001
Year of Final Obligation:	FY 2008

Summary: Continued stagnation and deterioration in key areas of human capital and social services threaten to undermine the sustainability of economic and democratic transition in certain parts of Europe. Therefore, USAID is placing increased attention on social sector issues through ongoing analytical work, technical assistance, and dissemination of best practices. These are intended to promote programs to protect vulnerable groups, especially through youth and anti-trafficking activities; improve labor market functioning, encourage education system reform, especially at the primary and secondary levels; and inform strategic approaches taken by missions to mitigate adverse social conditions and trends

Inputs, Outputs, Activities:

FY 2004 Program:

Strategic analysis, support and coordination (\$400,000 AEEB prior year recoveries) . USAID will work with U.S experts and experts within the region to carry out critical strategic analysis on social sector topics. The primary emphasis of the FY 2004 analytical program will be to identify those social sector problems that are so acute that the transition may be impeded and to recommend approaches to ameliorating such problems. An ongoing region-wide assessment to benchmark the status of social transition indicators (safety net performance, education, employment and income security, and poverty) in Europe and Eurasia will be completed. The results of this assessment will be the subject of the third regional social transition workshop and will be disseminated through the social transition website. Principal contractors include: International Science and Technology Institute (prime) and Aguirre International (sub) and others to be determined.

Strengthen and expand a regional mechanism for labor market reform (\$200,000 AEEB prior year recoveries). A regional task force approach has proven to be an effective instrument to consolidate and disseminate best practices in labor market reform in five countries (Bulgaria, Hungary, Macedonia, Poland and Romania) over the last two years. Aided by a circuit rider, this mechanism was shown to be a cost effective way to build constituencies for labor market policy change, and to train a consistent cadre of labor analysts and industrial adjustment specialists in each country on job creation, data collection and project monitoring. USAID will support a two-year effort to strengthen a task force approach and to expand it to five additional CEE territories: Albania, Bosnia-Herzegovina, Croatia, Kosovo, and Serbia-Montenegro. Contractor/grantee to be determined.

Strengthen anti-trafficking measures (\$989,000 AEEB prior year recoveries). Trafficking in persons (TIP) has become a major social, economic and moral problem in the region. President Bush has made a major commitment to reduce TIP. USAID will support regional program to build a network of governmental and non-governmental agencies, organizations, and leaders to reduce the conditions leading to TIP, provide assistance to those who have been trafficked, and get better information on alternatives and help to those most vulnerable. Contractor/grantee to be selected.

Program Support (\$223,000 AEEB, \$12,000 AEEB carryover). Program-funded staff and related support will be funded to provide expertise for work on the social transition.

FY 2005 Program:

Strategic analysis, support and coordination (\$300,000 AEEB). Analytic work on the social sector in the region will continue and will provide strategic guidance and technical assistance to mitigate social sector problems.

Strengthen and extend a Regional Task Force (RTF) on labor market reform (\$300,000 AEEB). Under the second year of this program, the regional task force will focus on developing sustainable sources of support from participating country governments to consolidate and disseminate best practices in labor market reform, build constituencies for labor market policy change, and to train a consistent cadre of labor analysts and industrial adjustment specialists in each country on job creation, data collection and project monitoring. USAID will support an RTF to complete its work in nine CEE countries plus Kosovo. Contractor/grantee to be determined.

Strengthen anti-trafficking measures (\$300,000 AEEB). Trafficking in persons (TIP) has become a major social, economic and moral problem in the region. President Bush has made a major commitment to reduce TIP. USAID will support regional program to build a network of governmental and non-governmental agencies, organizations, and leaders to reduce the conditions leading to TIP, provide assistance to those who have been trafficked, and get better information on alternatives and help to those most vulnerable. Contractor/grantee to be selected.

Program Support (\$180,000 AEEB). Program-funded staff and related support will be funded to provide expertise for work on the social transition.

Performance and Results: The results achieved under this objective will improve sustainability of USAID's assistance in countries in Europe by helping to halt and eventually reverse the declines in social welfare experienced by citizens in the transition countries. In addition to reducing human suffering and deprivation, strategic assistance in the social sectors increases public support for reform among citizens who had been accustomed to receiving relatively comprehensive social services.

Representatives from six Europe missions (Bosnia, Bulgaria, Kosovo, Macedonia, Serbia, and the Regional Services Center in Budapest) attended the second social transition workshop and contributed to discussions and presentations of best practices, strengthening the basis for comparison of social indices across the region. An in depth hotspots analysis was conducted which identified vulnerabilities in countries in Europe in the areas of labor, education, and health. Moreover, the status of vulnerable and strategic groups was ascertained. Assistance was provided to Macedonia to develop an education project there which will help address ethnic tensions.

Data Sheet

USAID Mission:	Europe Regional
Program Title:	Cross-Cutting Programs
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	180-0420
Proposed FY 2004 Obligation:	\$6,170,000 AEEB
Prior Year Unobligated:	\$3,465,000 AEEB
Proposed FY 2005 Obligation:	\$5,886,000 AEEB
Year of Initial Obligation:	FY 1991
Year of Final Obligation:	FY 2009

Summary: The USAID regional cross-cutting program support objective supports activities that contribute to the achievement of other bureau objectives and agency initiatives. The objective comprises the following key elements: training, Georgetown University's East Central European Scholarship Program, values, and program develop and support.

Inputs, Outputs, Activities:

FY 2004 Program:

Training (\$195,000 AEEB, \$30,000 AEEB carryover). Technical and administrative support is provided to all Europe missions for training and partnership design, planning and administration, performance monitoring and evaluation, and financial analysis and human capacity assessments. Training is also provided for program-funded staff and partners in performance measurement and reporting and other aspects of assistance oversight. Principal contractors are Aguirre International (prime) and the International Science and Technology Institute (sub).

Georgetown University's East Central European Scholarship Program (ECESP) (\$2,250,000 AEEB). This program operates in Albania, Bulgaria, Macedonia, and Romania. Training will focus on the areas of Economic Growth, Energy, Environment, Agribusiness, Health and Child Welfare, Democracy and Governance, Rule of Law, Anti-Corruption, and Social Transition. The ECESP program is designed to build a group of skilled leaders, experts, and administrators capable of analytic thinking and strategic planning, through short and long term training, in-country, in third countries, and in the U.S.

Values (\$1,695,000 AEEB, \$787,000 AEEB carryover, \$1,000,000 AEEB prior year recoveries). USAID plans to provide procurement awards to qualified organizations to implement innovative ideas that cultivate and strengthen universally recognized values that support USAID goals and objectives in the region. The goal of this initiative is to achieve positive, lasting attitudinal change, reflected in realizing more permanent advancements in social, economic and political practices. As part of an overall values program, USAID will also fund a conference on volunteerism and recognize individuals whose efforts have promoted the economic and democratic transition in the region.

Values are the necessary underpinning for lasting reforms in promoting democracy, human rights, religious freedom, free and open markets, anti-corruption efforts, and prevention of violence, and reduction of conflict. Failure to focus more attention on cultivating values means that efforts to sustain free societies in post-communist societies could be in vain. Examples of such values include human and minority rights, respect for rule of law, honesty and truthfulness, strong business ethics, truth in advertising, ending resentment and promoting reconciliation.

Program development and support (\$2,030,000 AEEB, \$1,237,000 AEEB carryover, \$411,000 AEEB prior year recoveries). Funds will be used to assess particular transition problems such as trafficking, to support the development of activities that are part of USAID's business model for the Global Development Alliance (GDA), and to evaluate the effectiveness of selected programs being implemented in multiple

countries in the region to share lessons learned, improve effectiveness, and deepen an understanding of the progress of transition. In addition, USAID will provide assistance through institutional and personal services contractors (PSCs) to manage activities and to help field missions and their partners design and manage their programs; and to support the inter-agency costs of the regional services center in Budapest and the Washington facility.

FY 2005 Program:

Use of funds in this objective in FY 2005 will be similar to uses in FY 2004. The estimated breakdown by functional area is: training (\$130,000 AEEB), Georgetown ECESP (\$2,000,000), values (\$365,000 AEEB), and program development and support (\$3,391,000 AEEB).

Performance and Results: The E&E Bureau funded training for approximately 35,000 host country national participants during fiscal year 2003. Participant training improves the sustainability of USAID's overseas programs by reinforcing local capacity to implement programs aimed at achieving economic, democratic and social transition in the region. The results achieved under this objective improve the sustainability of USAID's assistance in E&E countries by helping to halt and eventually reverse the declines in living standards experienced by citizens in the transition countries.

Georgetown University's Center for Intercultural Education and Development, East Central European Scholarship Program (ECESP) continues to help leaders, administrators, experts, and managers of Eastern Europe transform their post-Communist societies and economies gain the skills they need to achieve the standards required for integration into Europe. ECESP administered short-term training programs for 1,036 participants through September 2003. These participants came from Albania, Bulgaria, Czech Republic, Macedonia, Hungary, Poland, and Romania. Since 1999, ECESP has developed training programs on topics as varied as financial markets, NGO management, international accounting standards, and labor market policies.

Under the values program, three proposals for Europe were selected for funding. One promotes ethnic tolerance, another, anti-trafficking, and a third, conflict resolution.