

Uzbekistan

The Development Challenge: The Government of Uzbekistan (GOU) remains a key partner in the war against terrorism. It is beginning to make progress toward economic policy reform, but much remains to be done. In early 2002, the government began implementing a program of foreign exchange liberalization that culminated in October 2003 with acceptance of the currency convertibility obligations of the International Monetary Fund Agreement (Article Eight). However, this was achieved by restricting trade, which has had negative impacts on the economy. More significant advances included “privatization” of some large collective farms through land lease arrangements, legislation that devolved control of irrigation systems to private water user associations, a Presidential decree in March 2003 that committed the government to further agricultural reform, and government cooperation with Uzbek NGOs on Trafficking in Persons initiatives.

High expectations for increased opportunities for independent political activity and reduced state control of the economy have, however, remained largely unmet. Governance in Uzbekistan remains autocratic. Corruption is endemic. GOU unwillingness to open borders and liberalize trade has resulted in adverse political as well as economic effects. Arrearages on wages combined with gas and electricity shortages are causing social tension to increase. While the government did register a second human rights organization in 2003 and is developing an action plan to implement recommendations of the U.N. Rapporteur on Torture, its overall human rights record remained poor, with three suspicious deaths in detention in 2003 that have not been satisfactorily investigated. A government crackdown on human rights activities and activists continued last year.

Uzbekistan also is plagued by widespread unemployment, poor social infrastructure, and weak educational and health facilities. Nearly one-third of Uzbeks live below the national poverty line. At current growth rates of 2.3% to 3% per annum, Uzbekistan's population of approximately 25 million is expected to double over the next 50 years, placing greater pressure on the country's poor infrastructure and health care and education systems. Inefficient water management and deteriorating irrigation systems have contributed to the drying up of the Aral Sea, and increased salinity of the soil.

USAID and the USG continue to encourage Uzbekistan to achieve key development objectives in the areas of economic liberalization, political pluralism, and regional stability. As the most populous country in Central Asia, and one that historically has played a leading role in trade and enterprise, Uzbekistan's development and stability are critical for the region and the U.S.

The USAID Program: Continuing with the momentum created by robust supplemental funding in 2002, USAID's activities in 2003 have laid the groundwork for democratic reform and market transition. USAID and the State Department's Bureau of Democracy, Human Rights, and Labor launched a new human rights defenders program, and opened a human rights clinic at Tashkent State Law Institute. New programs were also launched in civil society, media, judicial reform, housing reform, civic advocacy, and anti-trafficking. USAID is working in 110 communities at risk for conflict in the volatile Ferghana Valley and southern Uzbekistan. Important achievements have been made in microfinance, conflict prevention, health care reform, press freedom, judicial reform, and natural resource management. USAID is helping to expand economic opportunities, foster democratic values and practices, support natural resource management, and improve health care services. The Program Data Sheets cover the objectives for which USAID is requesting funds: primary health care, infectious diseases, natural resource management, democratic transition, and small enterprise and macro-economic reform, with cross-cutting objectives in gender equity, anti-corruption, and rule of law. Specific activities to be funded in FY 2004 and FY 2005 are described in greater detail in the Program Data Sheets.

Other Program Elements: USAID also supports institutional partnerships that seek to build lasting relationships between the United States and Uzbekistan. USAID/Washington has agreements with the U.S. Centers for Disease Control and Prevention, Project HOPE, Counterpart International, and the Monitoring and Evaluation to Assess and Use Results (MEASURE)/Evaluation Program. The Farmer-to-Farmer Program managed by USAID's Bureau for Economic Growth, Agriculture, and Trade is also active. The Eurasia Foundation manages small grants in education, small business, local government,

and civil society that reinforce USAID's strategic objectives. The Departments of Commerce, Defense, Energy, Treasury, Agriculture, and State also manage programs complementary to USAID field activities in various sectors. Department of State's Bureau of Democracy, Human Rights, and Labor funds human rights and democracy programs, many of which are managed by USAID.

Other Donors: The United States is the largest bilateral donor, and the third largest overall donor to Uzbekistan. The largest overall donor is the Asian Development Bank, followed by the European Bank for Reconstruction and Development. The World Bank is the fourth largest donor, followed by the Government of Japan (including the Japanese International Cooperation Agency, the Japanese Bank for International Cooperation, and the Japan External Trade Organization) and the Government of China. Other important bilateral donors include the Government of Switzerland and the Government of Germany (through the German Society for Technical Cooperation). Other important multilateral donors include the United Nations Development Program and the European Union. USAID continues to strengthen its ties with these and other donors through joint activities and coordination. The government and donor community are currently engaged in a joint national effort to reform primary health care by improving the quality of management and service delivery. USAID is coordinating with the World Bank on accounting reform and treasury system reform activities. USAID has a cooperative agreement with the International Finance Corporation to develop the legislative framework for microfinance. USAID assistance to credit unions is coordinated with the Asian Development Bank, and our business advisory services are closely coordinated with those of the European Bank for Reconstruction and Development. In natural resources management, USAID activities are complemented by World Bank and Asian Development Bank loans to support improved management of agriculture and water.

Data Sheet

USAID Mission:	Uzbekistan
Program Title:	Small and Medium Sized Enterprises
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	122-0131
Proposed FY 2004 Obligation:	\$6,086,000 FSA
Prior Year Unobligated:	\$480,000 FSA
Proposed FY 2005 Obligation:	\$5,100,000 FSA
Year of Initial Obligation:	2001
Year of Final Obligation:	FY 2006

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 more responsive financial institutions, instruments, and markets; and to improve the implementation of laws and regulations.

Inputs, Outputs, Activities:

FY 2004 Program:

Business Skills and Information (\$3,165,000 FSA, \$184,501 FSA carryover). USAID's Enterprise Development Project will deliver business, consulting, and trade advisory services to approximately 120 client firms in the regions surrounding Tashkent, Ferghana City, and Andijian. As a result of this assistance, client firms' sales, on average, will increase by 18% with a 10% increase in productivity. The project will also continue training, testing and certifying accountants in International Accounting Standards. It is expected that 110 Uzbek accountants will earn the Certified Accounting Practitioner designation and an additional 24 will earn the advanced Certified International Professional Accountant designation. Additionally, USAID and the Israeli Center for International Cooperation (MASHAV) will provide expert consultants for agribusinesses. Principal contractors/grantees: Pragma Corporation (prime) and MASHAV (prime).

To raise the level of business and economics education, USAID will continue providing support to strengthen the quality of higher education and thus better prepare youth to enter and compete in a market economy. The program will train professors in modern business and economics, and work with administrators at higher education institutions to build capacity and develop economics and business programs that meet international standards. USAID, in partnership with Junior Achievement International, will provide business and economics training to middle and high school teachers and build administrative capacity in the local chapters of Junior Achievement by developing plans to reach sustainability. Principal contractors/grantees: Carana Corporation (prime) and Junior Achievement International (prime).

Access to Capital (\$1,871,000 FSA, \$295,721 FSA carryover). USAID will continue working with the Central Bank of Uzbekistan to regulate accounting practices at commercial banks through adoption of international accounting standards. Training in modern accounting will also be conducted for commercial bankers, which will help prepare banks for privatization. Depending on the pace of currency convertibility, training will be provided to the banks on analysis and management of exchange rate risks. Principle contractors/grantees: Abt Associates (prime) and BearingPoint (sub).

Improve the Implementation of Laws and Regulations (\$1,050,000 FSA). USAID will continue work with associations and government to reduce trade barriers on the local and national level through its offices in Tashkent and the Ferghana Valley. Offices in the Ferghana Valley will bring businesspeople and local government officials together from Uzbekistan, Kyrgyzstan, and Tajikistan in order to improve cross-border trade in the valley. The project will also assist Uzbekistan's World Trade Organization (WTO)

accession efforts by reviewing existing legislation and helping draft amendments to make it WTO-compliant. Principal contractors/grantees: Pragma Corporation.

USAID will start a land reform project this year in response to the government's declaration of interest in giving farmers greater tenure rights and to further privatizing the state agricultural sector. The project will provide technical legal assistance to the Ministry of Agriculture to assist in the development of implementing procedures. Principal contractor/grantee: Associates in Rural Development, Inc.

USAID will continue its work with four macroeconomic think tanks to improve their research methodology and economic analysis capabilities, and therefore better inform public policy. Principal contractor/grantee: Abt Associates (prime) and BearingPoint (sub).

FY 2005 Program:

Business Skills and Information (\$2,160,000 FSA). USAID will continue delivering advisory services and training with a particular focus on the implementation of accounting standards in client businesses. There will be efforts to find synergies between the project and the Resource Network for Economics and Business Education (EdNet) to build local consulting capacity through academic institutions. Principal contractor/grantee: Pragma Corporation (prime).

Access to Capital (\$1,520,000 FSA). Technical assistance to micro-finance institutions and credit unions will emphasize sustainability. Assistance to the Central Bank will shift focus from accounting standards to improving its supervision practices, and will begin with a Basel Core Principles assessment and follow with an action plan. Principal contractors/grantees: Abt Associates (prime) and BearingPoint (sub).

Improve the Implementation of Laws and Regulations (\$1,420,000 FSA). USAID will continue its work on improving cross border trade in the Ferghana Valley. Funds may also be used to assist in improving the tax code, which would involve reviewing the code and drafting necessary amendments. Principal contractor/grantee: Pragma Corporation (prime).

Performance and Results: USAID delivered assistance in areas such as microfinance and savings and credit unions, as well as building institutional capacity. USAID completed its pilot testing of credit unions and is now expanding support to other underserved regions. The program now supports eight credit unions, which have a client base in excess of 5,000. A microfinance institution in Andijian built a loan portfolio and client base that has grown significantly in recent months and is currently at \$139,000 and 796 persons. A new product to fund the expansion of greenhouses was launched and has already made 107 loans worth approximately \$36,000, and reached nearly 200 clients with loans totaling \$100,000 in 2003. Over 52 trade deals worth more than \$3.7 million were made with the assistance of USAID trade advisors. Finally, cooperation with four economic policy think tanks has produced several important analyses to inform policy decisions, including a study on the burden of taxation on SMEs. These think tanks are also informing the currency liberalization process and publishing difficult-to-obtain economic data, and are expected to provide new opportunities to assist Uzbekistan transition to a market economy.

By program's end, Uzbekistan will be well-equipped to carry out sorely needed economic reforms in key areas, including banking supervision and fiscal reform. In addition, improvements in the financial sector and a legal and regulatory environment that is favorable to small and medium enterprise (SME) development will ensure a vigorous small business sector, which is key to Uzbekistan's economic development. Entrepreneurs will have the business skills and information to take advantage of increased economic opportunities.

Data Sheet

USAID Mission:	Uzbekistan
Program Title:	Energy and Water
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	122-0161
Proposed FY 2004 Obligation:	\$3,000,000 FSA
Prior Year Unobligated:	\$1,453,000 FSA
Proposed FY 2005 Obligation:	\$2,400,000 FSA
Year of Initial Obligation:	2001
Year of Final Obligation:	FY 2006

Summary: USAID's water and energy activities are focused on improving Uzbekistan's capacity to manage water resources through well-directed technical assistance, the introduction of improved technologies accompanied by selected training, targeted public outreach, and similar actions leading to better management of critical resources. As the large infrastructure improvement programs which were funded by the 2002 supplemental come to an end, programs will emphasize training, public outreach, policy reforms, and promoting the replication of demonstration projects that have been completed over the past three years of USAID's flagship Natural Resource Management Program. USAID will also launch a robust program of assistance to Water User Associations (WUAs).

Inputs, Outputs, Activities:

FY 2004 Program:

Water User Association Support (\$2,000,000 FSA, \$1,453,310 FSA carryover). USAID will broaden and strengthen its assistance to newly formed water user associations in Uzbekistan. Due to the issuing of a government decree, over 100 new associations have been formed. For the most part, they are weak and require assistance to ensure sustainability. The program goal is to transfer management of lower-level irrigation to the local user level. The result will be improvements in water efficiency, transparency in allocations, stronger democratic local water management institutions, and cost recovery schemes that generate funds from users for system operation and maintenance. Principal contractor/grantee: to be determined.

Pilot Agricultural Enterprise and Agricultural Growth Models (\$1,000,000 FSA). Agriculture is the largest sector of the economy in Uzbekistan. However, the sector is not growing quickly enough to meet the employment, income, and production expectations of the population, and there are numerous constraints to privatization of farms and other agricultural small and medium enterprises. USAID will initiate a program to help accelerate the movement toward a market-oriented and growing agricultural sector through various pilot activities. First, the project will test and demonstrate models of assistance that would result in improved growth and incomes for agricultural small/medium enterprises (including farms). Second, the project will demonstrate the efficacy of market-led approaches that target value-added products. Third, it will focus primarily on horticulture and link with other on-going or planned USAID activities, including land reform, irrigation technical assistance and business support services. Fourth, implementation will be via a limited number of implementers to achieve management efficiency over a limited time frame and with realistic expectations for results by USAID, host governments and participants. Finally, the models tested should be suitable for possible replication and provide usable lessons for sharing among the countries in the region. Principal contractor/grantee: to be determined.

FY 2005 Program:

Water User Association Support (WUA) (\$2,000,000 FSA). USAID will continue to provide training, technical assistance, and small grants to strengthen local water user associations. It is anticipated that by the second year of the project training programs will be conducted throughout the country with WUA representatives already implementing the practices and principles being taught. Selected WUAs will

make internal improvements to the water systems they manage by means of funds received from the USAID grants program. Principal contractor/grantee: to be determined.

Pilot Agricultural Enterprise and Agricultural Growth Models (\$400,000 FSA). USAID will continue developing and strengthening models for demonstrating how the agricultural sector can be modernized. By FY 2005, demonstration sites will be established and the main activities needed to raise incomes with farmer groups will be determined. Agreements with the Ministry of Agriculture will be signed that will allow USAID to institute reforms in the demonstration areas. Farmer business/marketing groups will be made aware of the program and organized for participation. Training programs will begin. Principal contractor/grantee: to be determined.

Performance and Results: USAID's performance in the water sector has resulted in several significant achievements over the past two years. Activities with different counterpart organizations have resulted in improved communication systems, infrastructure repairs, equipment upgrades, and significantly improved methods of data collection, analysis, and transmission. The Ministry of Agriculture and Water Resources, the Uzbek weather and water forecasting agency, the Water Basin Authorities of the two main river basins, and three major irrigation regions are all benefiting from this assistance. In potable water, over 500,000 residents of the Karakalpakstan region will soon have improved access to a reliable water supply as a result of USAID's ongoing assistance. Due to USAID's work, two major policy changes are transferring water management from the inefficient national level down to the hydro-basin and user levels. Pilot projects are now being implemented that demonstrate water-saving techniques, improved water control structures, and better communications systems. Likewise, in institutional development, democratic water user association elections and other capacity-building actions are being conducted. A public outreach program is actively working through several media sources to reach millions with the message of the importance of improving the management and use of water resources, and the importance of water to the health and well being of every citizen. Overall, the performance of this program in Uzbekistan has been solid. Host country commitment to improvements in the water resources sector is strong and key counterparts have consistently supported USAID's agenda. A robust training program has supported all of the technical areas with over 3,500 people participating in the program, including 946 women. USAID will continue to carry out its aggressive portfolio of activities in Uzbekistan, working collaboratively with Uzbek agencies, local organizations, and other donors.

By program completion, demonstration models on several aspects of improved management of the vast Uzbek irrigation system will be in place and specialists will be trained in effective replication of such activities. An improved system of collecting, analyzing, and transmitting weather and water resources data will also be fully implemented. Thousands of citizens in the Karakalpakstan region of the Aral Sea will benefit from improved quality and delivery service for potable water. Finally, a greater number of Water User Associations will be in place and operating in a more favorable legislative environment.

Data Sheet

USAID Mission:	Uzbekistan
Program Title:	Democratic Culture and Institutions
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	122-0211
Proposed FY 2004 Obligation:	\$6,321,000 FSA
Prior Year Unobligated:	\$2,055,000 FSA
Proposed FY 2005 Obligation:	\$4,900,000 FSA
Year of Initial Obligation:	2001
Year of Final Obligation:	FY 2006

Summary: In Uzbekistan, USAID's democracy programs strive to create stronger and more sustainable civic organizations, increase the availability of information on civic rights and domestic public issues, enhance opportunities for citizen participation in governance, and assist public institutions become more responsive, transparent, and accountable.

Inputs, Outputs, Activities:

FY 2004 Program:

Citizen Participation (\$780,785 FSA). While at present the only registered political parties in the country are pro-governmental, there are several others that have applied for registration and are politically active. USAID will include political party work in Uzbekistan under a regional program. USAID will also issue a request for proposals to provide support to local NGOs for national level advocacy campaigns concerning a variety of social, political, and economic issues. Principal implementing partners are to be determined.

Civic Organizations (\$1,594,136 FSA, \$777,144 FSA carryover). USAID will continue to develop civil society organizations in Uzbekistan through its support to an NGO resource center network, which will provide training to NGOs on a host of financial, administrative, and programmatic issues. Grants will be given to local communities to mobilize community-based organizations to advocate for their needs. Institutional grants will be distributed to NGOs in targeted sectors, to strengthen their operating capacity and improve their ability to serve as leading organizations in their sectors. The network's local lawyers based at the NGO resource centers will provide legal consultations to NGOs. USAID is also focusing its civil society support efforts on developing strong human rights organizations in Uzbekistan. Through human rights resource centers, human rights organization members will develop the ability to report on and advocate for the end of human rights abuses. Principal contractors/grantees: International Research and Exchange Board (prime), the International Center for Not-for-Profit Law (sub), Partners for Democratic Change (sub), and Freedom House (sub).

Media and Information (\$1,320,562 FSA, \$1,277,453 FSA carryover). The establishment of a network of six television stations in the Ferghana Valley and Tashkent Oblast will be a high priority of USAID's media work in FY 2004. In addition, USAID will continue to work to protect journalists and media outlets from government-sponsored harassment, and will explore opportunities to work with radio stations in an effort to promote the increased availability of information. USAID will support a full-scale human trafficking research program in Uzbekistan, and will support prevention activities by conducting awareness campaigns throughout the country. A new civic education program will be introduced in FY 2004. Principal contractors/grantees: the International Organization for Migration (prime) and others to be determined.

Accountable Public Institutions (\$2,625,517 FSA). USAID will focus its efforts on developing the skills and knowledge of the next generation of lawyers and judges by supporting legal curriculum reform, clinical programs, moot court competitions, mock trials, legal reasoning, and persuasive writing classes for law students. USAID will support judicial training and information dissemination in Uzbekistan. USAID

will also provide training to judges and lawyers on new amendments to the Uzbek Criminal Code that address the issue of torture. USAID will continue to promote democratic governance and professional management in housing partnerships. In addition to Tashkent City and the Andijan Region (pilot sites), the housing reform program will expand to Samarkand and Namangan regions. Principal implementing partners are: Institutional Reform and the Informal Sector, the Urban Institute, and others to be determined.

FY 2005 Program:

Citizen Participation (\$420,781 FSA). Depending on the outcome of the 2004 parliamentary elections, USAID may bolster its efforts to political parties. Civic advocacy campaigns will continue to highlight important social and political issues facing Uzbekistani citizens. Principal implementing partners to be determined.

Civic Organizations (\$2,379,930 FSA). USAID will continue its support to the network of NGO resource centers. By 2005, USAID will make a decision on whether to shift from supporting the U.S.-based implementing partner as an intermediary to directly assisting the local support center network. Training will be focused on institutional capacity-building and financial management in order for the network to compete for international donor funding as a direct grantee. USAID will continue supporting human rights defenders and human rights legal clinics at law schools in Tashkent and Namangan. Principal contractor: same as above.

Media and Information (\$1,257,726 FSA). If a network of independent television stations is formed in 2004, USAID assistance will continue to support its development as an alternative to state television. Increased advocacy and legal support to journalists will help protect individuals and improve the legislative environment for media. Providing information to the public about human trafficking will continue to be a priority for USAID. Efforts to promote tolerance and civic responsibility will continue through civic education activities. Principal implementing partners are to be determined.

Accountable Public Institutions (\$841,563 FSA). USAID will foster the development of the rule of law in Uzbekistan through its legal and judicial reform training activities. USAID's housing reform efforts will promote democratic resident participation through its work with condominium associations. Principal implementing partners are: the Urban Institute and others to be determined.

Performance and Results: While the government did not meet USAID's overall expectations for democratic reform, some progress was made last year. With USAID and State Department funding, two human rights resource centers and the Tashkent State Law Institute Human Rights Clinic helped create an environment where human rights defenders and activists are able to work more openly than in recent years. Progress on housing reform proceeded well with USAID support, thereby improving the daily lives of Uzbek citizens by putting more control over their housing into their own hands. As a precursor to its new anti-trafficking program in Uzbekistan, USAID supported two trafficking-in-persons training seminars for Uzbek government officials in the summer of 2003. Due to activities like these, President Bush certified Uzbekistan as a Tier II country in September 2003, thereby avoiding U.S. Government sanctions.

By program's end, there will be stronger and more sustainable civic organizations; increased availability of information on civic rights and domestic public issues; enhanced opportunities for citizen participation in governance; and more accountable public institutions.

Data Sheet

USAID Mission:	Uzbekistan
Program Title:	Conflict Prevention
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	122-0240
Proposed FY 2004 Obligation:	\$302,000 FSA
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$400,000 FSA
Year of Initial Obligation:	2004
Year of Final Obligation:	FY 2006

Summary: Conflict prevention strengthens vulnerable communities and eases local tensions through public dialogue and improvement of small-scale social and physical infrastructure. USAID addresses both the root and immediate causes of potential conflict through its conflict prevention objective. Since many conflicts in Central Asia have arisen at the community (rather than international) level and the U.S. Government's ability to change structural factors at the national level is limited, USAID's conflict prevention strategy focuses on giving citizens opportunities to participate in decisions that affect their communities, improve living standards, and provide skills and experience that will diminish the potential for conflict. Community action programs, targeted where risks of communal or religious conflicts are greatest, are designed to increase citizen participation in community decision-making and local government, and contribute to mitigating sources of conflict by promoting economic recovery and inter-ethnic cooperation. In Uzbekistan, USAID has focused its conflict prevention activities on the Ferghana Valley which was determined to be at greater risk for conflict for a variety of reasons including extremism, a high population of unemployed youth, and closed borders. USAID is also implementing its conflict prevention program in southern Uzbekistan due to concerns about threats from religious extremists. Conflict prevention activities began in FY 2002 under the Mission's cross-cutting program, and has been reported up to now as a component under SO 4.2. As the conflict program will become a strategic objective in FY 2004, it is being notified separately for FY 2004 and FY2005 funding.

Inputs, Outputs, Activities:

FY 2004 Program:

Conflict Prevention (\$302,000 FSA). Conflict prevention activities will expand to 110 communities in the Ferghana Valley and Southern Uzbekistan, with a new emphasis on community economic development. USAID will continue to focus on coordination with other partners to fold in issues of unemployment (especially among urban youth), with a new component that will directly target businesses whose growth will serve the community as a whole, through lower prices and lower unemployment, and thereby alleviate economic tension in that community. As a result of a mid-term evaluation of the program, USAID will make a number of adjustments including: more directly discussing and addressing issues of conflict in communities; placing a greater emphasis on social projects and activities to be done in conjunction with infrastructure projects; and making a greater effort to involve women and youth. Principal contractor/grantee: CHF International (prime) and Mercy Corps (prime).

FY 2005 Program:

Conflict Prevention (\$400,000 FSA). By 2005, USAID will be nearing the end of its engagement with some of its initial conflict prevention sites. In the more recently targeted areas, where conflict vulnerability is likely to be much higher, economic activities and community-based infrastructure and social events supported by USAID will continue to help communities draw youth away from the attraction of violent and extremist organizations and manipulation by elites. USAID plans to continue conflict prevention activities in the Ferghana Valley, but close out its program in southern Uzbekistan, where the potential for conflict appears to be less. The number of total beneficiaries is expected to reach near 477,000 in 2005. Principal contractor/grantee: to be determined.

Performance and Results: Uzbekistan's conflict prevention activities are focused in the Ferghana Valley, where tensions run especially high because of: closed international borders that restrict trade; disputes that have resulted from recent land reform measures; a general lack of information and government control of media; unemployment; and reported activity by extremist groups. By the close of FY 2003, USAID was active in 110 communities in Uzbekistan, including the Ferghana Valley border communities which have identified sources of tension and worked together with USAID to overcome those tensions. One hundred eleven small infrastructure and social engagement projects have been completed (85 in FY 2003 alone) since the commencement of the program, benefiting more than 120,000 people. For example, the neighboring villages of Jek-Miste, Kyrgyzstan, and Naiman, Uzbekistan completed a water project that allows for enough water to serve the upstream village's irrigation needs, as well as the downstream village's cleaning and drinking needs. The ethnic Kyrgyz community of Korayantok in Uzbekistan, isolated from the contiguous territory of Kyrgyzstan due to the recent border demarcation policy, mobilized the community to construct a new health clinic. This clinic allowed the residents to overcome their isolation and to seek medical aid locally. The community Kuklam in southern Uzbekistan had received little attention from local authorities, prior to USAID's conflict mitigation program. The community successfully lobbied the government for support that was used in the rehabilitation of a local school.

A recent mid-term project evaluation of USAID's conflict prevention program states that in general, USAID is helping to knit together a stronger social fabric in these communities. By program's end, there will be an increased number of communities reporting lessened tension or resolved conflicts, strengthened community participation, and improved local services through community decisions.

Data Sheet

USAID Mission:	Uzbekistan
Program Title:	Health and Population
Pillar:	Global Health
Strategic Objective:	122-0320
Proposed FY 2004 Obligation:	\$7,363,000 FSA
Prior Year Unobligated:	\$572,000 FSA
Proposed FY 2005 Obligation:	\$5,950,000 FSA
Year of Initial Obligation:	2001
Year of Final Obligation:	FY 2006

Summary: USAID's quality primary health care (PHC) objective is creating a higher quality, more cost-effective system nationwide through: improving health education; awarding small grants to health NGOs; retraining doctors and nurses; improving care of pregnant women and children; implementing incentive-based provider payment systems; developing pre-service and postgraduate education in family medicine; reducing conflict through sports and health education programs; controlling tuberculosis (TB); assisting malaria control efforts; and containing the HIV epidemic among injecting drug users.

Inputs, Outputs, Activities:

FY 2004 Program:

Increase Quality of Primary Health Care (\$4,387,803 FSA, \$32,015 FSA carryover). USAID will: continue national health education campaigns; train PHC staff on health promotion; expand small grants awards for local NGOs to implement health projects; train doctors in family medicine; continue quality improvement pilots; and provide community health nursing short courses in Israel. Health reform models will expand in urban PHC and central district hospitals. The per capita financing system will be extended to two new regions. New partnerships will improve pre-service medical education and nursing leadership. Principal contractors/grantees: Abt Associates (prime), Project HOPE (prime), American International Health Alliance (prime), Counterpart Consortium (prime), MASHAV (prime), and new partners to be determined.

Improve Maternal and Child Health Services (\$419,251 FSA, \$90,000 FSA carryover). USAID will continue provider training related to safe motherhood, infection prevention, breastfeeding, and integrated management of childhood illnesses. Community mobilization and small grant activities will expand. The project will promote policies of contraceptive security, and initiate an operations research activity related to diarrhea and clean water. The pilot-tested interactive school health curriculum will be extended, and the Sports and Health Education Program will be expanded. Principal contractors/grantees: Project HOPE (prime) and Abt Associates (prime).

Control TB and Other Infectious Diseases (\$1,020,980 FSA, \$300,341 FSA carryover). USAID will launch a new, five-year TB Control Program to strengthen surveillance, lab quality, and rational drug management, expanding to new sites and integrating TB control into a reforming health system. The program will emphasize control of rising rates of drug resistance and strategies to address the increasing rates of HIV/TB co-infection. Improved coordination will be sought between health and penal systems. The Applied Epidemiology Program will continue. Principal contractors/grantees: U.S. Centers for Disease Control and Prevention (CDC) (prime) and a new partner to be determined.

Prevent the Spread of HIV/AIDS (\$1,534,966 FSA, \$150,000 FSA carryover). CDC will continue establishment of four HIV sentinel surveillance sites. A new HIV/AIDS prevention activity will help NGOs expand service coverage for high-risk groups. USAID will assist with antiretroviral use, treatment for opportunistic infections, and counseling and testing services. Social marketing of condoms will continue. The government will receive technical support to implement its grant from the Global Fund for AIDS, TB,

and Malaria (GFATM). Full-scale implementation of USAID's drug reduction program will begin to reduce the demand for illegal drugs. Principal contractors/grantees: CDC (prime), Population Services International (prime), an Open Society Institute (OSI)/Kazakhstan-led consortium (prime), and new partners to be determined.

FY 2005 Program:

Increase the Quality of Primary Health Care (\$2,563,760 FSA). USAID will make a health reform award to expand urban PHC, quality improvement, hospital finance, and health information to more pilot sites. Small grant support, community health nursing, health management partnership, pre-service medical education, and nurse leadership activities will continue. Principal contractors/grantees: same as above.

Improve Maternal and Child Health Services (\$986,240 FSA). USAID will expand project activities to additional districts, doubling the number of beneficiaries. Based on lessons learned during phase one, phase two will accelerate provider training, community grants, and mobilization activities and policy advocacy. The diarrhea and clean water operations research will inform new pilot activities. USAID's cross-border Sports and Health Education Project will increase the number of school camps conducted. Principal contractors/grantees: same as above.

Control TB and Other Infectious Diseases (\$1,150,000 FSA). USAID's new program will continue to extend the Directly Observed Treatment, Short-course (DOTS) pilots while increasing integration with health sector reforms. The program will expand to cover almost half the population. National capacity will be developed to monitor and review program quality, including improved surveillance and diagnostics. A national reference lab will be strengthened. Small grants will be provided for information, education, and communication activities and operations research. USAID will continue funding applied epidemiology training. Principal contractors/grantees: CDC and a new partner to be determined.

Prevent the Spread of HIV/AIDS (\$1,250,000 FSA). USAID will expand HIV/AIDS surveillance while integrating it with other surveillance. Lab and other diagnostics will be improved. Prevention activities will expand coverage, while new techniques will more accurately identify those at greatest risk of infection. GFATM grant implementation will continue to be supported. The drug reduction program will implement models to reach vulnerable youth, families, and communities, and improve drug rehabilitation services. Principal contractors/grantees: CDC, OSI/Kazakhstan, and a new partner to be determined.

Performance and Results: The rural PHC model is rapidly expanding. At present, 20.2% of the population has access to these reformed PHC practices compared with 12.7% last year. From three districts, 26 more have implemented health finance and management reforms and work is underway in two additional oblasts. USAID significantly increased health programs in maternal child health, drug abuse prevention, and small grants to health NGOs. A \$5.1 million humanitarian assistance shipment of pharmaceutical and medical supplies was delivered this year to support Maternal Child and Health activities in six pilot districts in two oblasts or regions. USAID's key role in confronting the TB epidemic included assistance to draft the national policy framework, approved in 2003, to implement DOTS. Results from 10 USAID-supported pilot sites show that TB labs' and facilities' average scores on minimum standards checklists ----exceeded targets at 83.9% for labs (75% target) but failed to meet targets at 81.9% for facilities (85% target). The GFATM has awarded Uzbekistan \$24.5 million over five years for AIDS, pending responses to a series of questions. With successful completion of this strategic objective, Uzbekistan will have health finance and health information systems country-wide for rural PHC and for hospitals in two oblasts, quality improvement systems active in at least two oblasts, a coordinated comprehensive HIV/AIDS program, and a firmly-established TB control program.

Data Sheet

USAID Mission:	Uzbekistan
Program Title:	Improved Quality of and Access to Basic Education
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	122-0340
Proposed FY 2004 Obligation:	\$250,000 FSA
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$150,000 FSA
Year of Initial Obligation:	2004
Year of Final Obligation:	FY 2006

Summary: The USAID Basic Education Sector Strengthening Program began its activities in FY 2003 with supplemental funding under the cross-cutting strategic objective. In FY 2004, Basic Education will become a separate strategic objective. In Uzbekistan, the program is focused on several key areas in the basic education sector, including improving in-service teacher training, increasing parent and community involvement in schools, strengthening institutional, management, and technical capacity at all levels of the educational system, and improving school infrastructure. The principal activity, Participation, Education, and Knowledge Strengthening (PEAKS), covers all areas of focus under this strategic objective.

Inputs, Outputs, Activities:

FY 2004 Program:

Implement In-Service Teacher Training (\$85,000 FSA). USAID will continue training and capacity building activities for teachers at an expanded number of sites, including the pilot schools and surrounding cluster schools identified during the first year of this strategic objective. Teacher training activities will complement existing school-based programs such as: Participation, Education, and Knowledge Strengthening; Sports and Health Education Program; and Computers for Schools in Uzbekistan. Training will strengthen teachers' skills in pedagogy, and development of curricula and learning materials to help them achieve better student performance results. Teachers will also receive printed materials on best international teaching methodologies. Principal contractors/grantees: Academy for Educational Development (prime), Open Society Institute (sub), and Save the Children/U.K. (sub).

Increase Involvement of Parents and Community in Basic Education (\$140,000 FSA, \$445,000 FSA carryover). Partnerships between schools, parents, and community will be strengthened to improve local support for schools and enhance parents' role as monitors of educational quality. A variety of activities will be carried out to complement the existing program and increase access of marginalized children to quality basic education. Schools will continue to receive assistance in infrastructure rehabilitation. Principal contractors/grantees: Academy for Educational Development (prime), Open Society Institute (sub), Save the Children/U.K. (sub), and Save the Children/U.S. (sub).

Strengthen Management Capacity in the Education Sector (\$25,000 FSA, \$78,118 FSA carryover). School administrators and local-level education authorities will receive training in effective school management and strategic planning. Efforts will be made to improve financing policies in the education sector and promote well-designed decentralization. Principal contractors/grantees: Academy for Educational Development (prime), and Abt Associates (sub).

FY 2005 Program:

Implement In-Service Teacher Training Activities (\$50,000 FSA). USAID plans to continue training of trainer models on best international methodologies at a large number of sites to increase the reach of basic education activities. Depending on needs identified in the initial program's mid-term assessment, teacher training activities may begin to address more specific needs and content areas. Teaching materials may be distributed on interactive teaching techniques that stimulate learning and result in better

student performance. Principal contractors/grantees: Academy for Educational Development (prime), Open Society Institute (sub), Save the Children/U.K. (sub), and Save the Children/U.S. (sub).

Increase Parent and Community Involvement in Basic Education (\$85,000 FSA). USAID plans to strengthen parent-teacher partnerships in education decision-making that can result in a wide range of activities in support of schools, including collaborative efforts on school infrastructure rehabilitation, management of non-budgetary funding in schools, and inclusion of out-of-school children in the education system. Work with communities will also focus on sharing best practices in community approaches among communities and with education managers to encourage greater acceptance for an enhanced parent/community role. Principal contractors/grantees: Academy for Educational Development (prime), Open Society Institute (sub), Save the Children/U.K. (sub), and Save the Children/U.S. (sub).

Strengthen Management Capacity in the Education Sector (\$15,000 FSA). Policy dialogue initiated during the current three-year activity will result in policy pilots where new education finance strategies will be tested and, possibly, under the extension, successful pilots will be brought to scale. Capacity building for educators at the community level will continue along with institutional and structural improvements at the national level. Regional events to share experiences with education finance reform between countries will lead to new pilot activities. Principal contractors/grantees: Academy for Educational Development (prime) and Abt Associates (sub).

Performance and Results: During FY 2003, the first year of the program, most activities began at 11 principal pilot schools. Training of trainer activities commenced during the summer of 2003, promoting modern teaching methodologies, such as Step-by-Step, and Reading and Writing for Critical Thinking to 400 teachers of primary and secondary grades. To date, two Community Education Committees, established to build partnership between schools and the communities, have undertaken in-depth surveys to identify education resources and needs in their community. Thirty-four school administrators received initial training on effective and efficient school management. Policy dialogue on education finance was started and facilitated through a finance working group at the Ministry level, which works to find solutions to larger education finance issues. Pilot schools are being developed to serve as training and resource hubs for clusters of surrounding schools in 2004, thereby maximizing the impact of the program. School infrastructure rehabilitation by Community Education Committees will begin in the summer of 2004 after infrastructure improvement and maintenance plans are developed by schools.

In addition to the pilot schools, over 1,000 computers were installed at 110 schools across Uzbekistan and nearly half of the schools have been connected to the internet. School staff are receiving training from USAID on computer maintenance and integration of the new technology into the existing curriculum. In October 2003, an average of 95 students in each of the schools used the computers.

By the end of this program, the joint efforts of schools, education authorities, parents, and communities will result in an increase in attendance, and more children will be able to complete primary and secondary school. Children will study in better physical environments, and better financing mechanisms will increase efficiency of financial flows in the education sector, making more state funding available to meet school needs. Teacher training and capacity building will raise the quality of teaching, which will become evident as more stakeholders express satisfaction with the quality of education in the target areas.

Data Sheet

USAID Mission:	Uzbekistan
Program Title:	Cross-Cutting Programs
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	122-0420
Proposed FY 2004 Obligation:	\$2,626,000 FSA
Prior Year Unobligated:	\$1,271,000 FSA
Proposed FY 2005 Obligation:	\$1,755,000 FSA
Year of Initial Obligation:	2001
Year of Final Obligation:	FY 2006

Summary: This cross-cutting program supports all of USAID's strategic objectives, and includes three main components: training and exchanges to support USAID's technical assistance programs in areas directly relevant to primary health care, democracy, and a free-market economy; sub-grants to the Eurasia Foundation to strengthen NGOs working in private enterprise development, civil society, public policy, and media; and program development support for cross-cutting evaluations, studies, technical assistance, and management support.

Inputs, Outputs, Activities:

FY 2004 Program:

Participant Training (\$800,000 FSA). This program will: improve the environment for the growth of small and medium-sized enterprises; strengthen democratic culture; improve management of critical natural resources; mitigate sources of conflict in target communities; improve the quality of education; and increase the utilization of quality primary health care. More than 1,000 participants will be trained through participant training projects in Uzbekistan. Training programs will support USAID's technical assistance in the areas directly relevant to the development of microfinance institutions and credit unions, media, law and NGO development, health care reform and drug demand reduction, water resources and conflict resolution, education reform, and various cross-cutting objectives. Principal contractor/grantee: Academy for Educational Development (prime).

Conflict Prevention (\$471,694 FSA carryover). Conflict prevention activities will expand to 110 communities in Ferghana Valley and Southern Uzbekistan, with a new emphasis on economic development of community. USAID will continue to focus on coordination with other partners to fold in issues of unemployment, with a new component which will directly target businesses whose growth will serve the community as a whole, through lower prices and lower unemployment, and thereby alleviate economic tension in that community. The USAID program will: more directly discuss and address issues of conflict in communities; place a greater emphasis on social projects and activities to be done in conjunction with infrastructure projects; and make a greater effort to involve women and youth. Principal contractor/grantee: CHF International (prime) and Mercy Corps (prime).

Education (\$778,118 FSA carryover). USAID will support the dissemination of teacher training programs, strengthen partnerships between schools and community, and provide school administrators and local-level education authorities with training in school management to increase transparency and accountability. Education pilots begun during the initial stage of the project will be analyzed and considered for scaling up. A mid-term assessment will help guide the final year of program implementation and identify areas of focus for a modest follow-on that will complement other donor activity. Principal contractors/grantees: Academy for Educational Development (prime).

Eurasia Foundation (\$1,500,000 FSA). The Eurasia Foundation will expand upon its Ferghana Valley Initiative to provide targeted grants to increase dialogue and cross-border linkages in this conflict-prone region. Principal contractor/grantee: Eurasia Foundation (prime).

Program Support (\$326,000 FSA, \$21,020 FSA carryover). A wide range of program and personnel support activities will continue. As required, funding will enable USAID to support unanticipated opportunities to advance or reinforce USAID objectives. Program personnel essential to the implementation of program activities will be supported by this category.

FY 2005 Program:

Participant Training (\$500,000 FSA). USAID plans to extend the agreement for the participant training activity in 2005. Based on an evaluation of 10 years of past training participants that was conducted in FY 2003, USAID will examine how the program can be re-designed for increased sector impact. Principal contractor/grantee: same as above.

Eurasia Foundation (\$1,125,000 FSA). Eurasia Foundation will continue to provide grants in three sectors (private enterprise, civil society, and public administration) on an open-door basis to NGOs in Uzbekistan. Principal contractor/grantee: same as above.

Program Support (\$130,000 FSA). A wide range of program and personnel support activities will continue. As required, funding will enable USAID to support unanticipated opportunities to advance or reinforce USAID objectives. Assessments for continuation of the current strategy are planned for funding. Program personnel essential to the implementation of program activities will be supported by this category.

Performance and Results: In FY 2003, USAID trained over 1,400 Uzbekistani citizens (approximately 45% were women) in the areas of enterprise and finance, NGO development, mass media, health-care reform, microfinance and credit unions, and water management and other agriculture-related programs. The overall impact of USAID's training programs in these areas has been broad and deep. After participating in the model credit union study tour to the Philippines, the head of the Central Bank Department on Licensing and Registration of Credit Unions initiated and participated in the development of a decree "On Procedures of Conducting Financial Operations in Credit Unions." The decree was officially adopted by the Ministers of Uzbekistan in October 2002. Additionally, the deputy chairman of the central bank of Uzbekistan promoted the idea of declaring a credit union monitoring system an official tool for evaluating credit union activity. The proposal was accepted and the monitoring system is now widely used throughout Uzbekistan.

After attending a real estate and communal housing sector training, the chairwoman of a consumer rights protection foundation submitted recommendations on improving the communal housing sector condition to the Uzbek Parliament, City Management Department, and the President's Department of State. The recommendations, which indicated the areas of Tashkent that were most in need of reconstruction and also specifically identified problems in existing communal housing, were the basis for the development of three Cabinet of Ministers' resolutions and one Presidential Decree on improving the situation in the individual and communal housing sector. As a result of those efforts, a participant of the program has been granted air time on TV and radio to develop an informative program that deals with communal sector housing problems.

In FY 2003, the Eurasia Foundation awarded 38 grants to Uzbekistani NGOs, totaling almost \$690,000. Through one grant, the Eurasia Foundation organized an NGO Forum in Tashkent, in which representatives of 100 organizations met to discuss issues of common concern. One finding from this event, the largest NGO gathering in Uzbek history, indicated that few Uzbek NGOs have the capacity for self-sufficiency without foreign technical assistance. Through another grant, which focused on strategic planning and marketing assistance via a \$290,000 partnership with the William Davidson Institute, the Tashkent-based International Business School Kelajak Ilmi increased its enrollment by nearly 200% to 45 students and attracted third-party funding for 10 scholarships. Another grant provided training to more than 20 local evaluation specialists, who will contribute to the improved performance of Uzbek institutions by providing sophisticated methods for analyzing the results and effectiveness of public and private sector initiatives.