

## Kazakhstan

**The Development Challenge:** Despite substantial reform in eleven years of independence, Kazakhstan's authoritarianism and corruption, wasteful services and energy practices, and disdain for civic action and an independent media are still evident. Continued government attempts to control and stifle independent media and political groups indicate a reluctance to embrace basic civil liberties. The environment for independent media and opposition parties worsened over the past year, as the Government of Kazakhstan (GOK) introduced more restrictive laws on political parties and broadcast media. According to Freedom House, Kazakhstan remains "not free," and Transparency International reports that this corrupt country has grown even more corrupt in the past year. Recent political shifts led to the removal of some key reformers from the government and imprisonment of some opposition leaders. These arrests and restrictive new laws on registering political parties have significantly reduced political openness that emerged in late 2001, which appeared to signal an increase in public debate on issues such as corruption, media, electoral reform and decentralization.

At the same time, Kazakhstan has made significant economic progress since independence, well surpassing many other former Soviet countries in macro-economic reform. With a per capita GDP of close to \$1,400, 12% GDP growth in 2001, solid fiscal management, privatization of state-owned enterprises, and growing pension funds and bond and mortgage markets, Kazakhstan is the wealthiest of the Central Asian republics. Avoiding adverse macro-economic consequences from concentration on the oil sector is a major economic policy concern, but there are signs that the GOK has embarked on an industrial policy designed to diversify the economy away from overdependence on oil by developing Kazakhstan's light industry and small business sector. The 2001 opening of the Caspian Consortium pipeline, from western Kazakhstan's Tengiz oilfield to the Black Sea, substantially raised Kazakhstan's export capacity. Kazakhstan correspondingly increased its sales of oil on international (non-Commonwealth of Independent States) markets, where prices are much higher, contributing to strong economic performance in 2001-2002. However, the economy remains dominated by oligarchic interests, and income and social disparities are large and growing, with nearly 30% of the population living below the poverty line. The official unemployment rate is near 10%, but the real figure may be as high as 30%. HIV/AIDS in particular is rising dramatically among high-risk groups, including drug users. Over 5% of the intravenous drug-using population is infected, indicating a concentrated HIV epidemic. Kazakhstan's infant mortality rate in 2002 is estimated to be 58.95 deaths per every 1,000 live births. Tuberculosis mortality rates dropped 12.4% in the last reporting period, and inoculations against Hepatitis B have brought its incidence to zero among young children. By comparison, the incidence of these diseases beyond childhood is still well above international norms.

Due to its tremendous oil and gas resources, size, and strategic location, Kazakhstan continues to be a key U.S. partner. The United States' National Energy Plan specifically identifies Kazakhstan's Kashagan field as, potentially, one of the most important petroleum reservoirs to begin development in the last thirty years. Kazakhstan's leading economic and political position in the region gives it an important role in the ongoing war on terrorism.

**The USAID Program:** To meet these challenges, USAID assistance to Kazakhstan will expand opportunities for citizens to participate in civil society and the market economy and move toward stronger protection of human rights. The Program Data Sheets provided below cover the five objectives for which USAID is requesting funds for Kazakhstan: small enterprise and trade, primary health care, democratic culture and institutions, management of energy and water resources, and cross-cutting programs, including conflict prevention. Through its participant training program, USAID annually trains about 1,500 Kazakhstani citizens in business and finance skills, democratic reform, and primary health care. USAID supports both policy reform and legal development on the national level, while focusing its programs on selected localities and sub-regions, to ensure demonstrable results in such a vast country.

FY 2003 funds will be used to implement the program planned and described in the FY 2003 Congressional Budget Justification. Important cross-cutting objectives are conflict mitigation (through media, education, and community development), youth and education, gender, and anti-corruption and

rule of law. Recognizing longer-term objectives, the cross-cutting nature of decentralization and the need to streamline management, in FY 2003, USAID's local government activities will be combined with the broader democratic objective. Local government initiatives continue as a means of strengthening democratic culture, social services, and small enterprise, rather than as an end in itself. USAID's fiscal reform objective will be combined with the broader objective for improved environment for small and medium enterprise development. Fiscal and tax reform activities will be integrated into this objective.

**SUPPLEMENTAL AND PERFORMANCE FUNDS:** Armed with an increased overall budget due to supplemental and performance funds, USAID quickly expanded and initiated activities in democracy promotion, economic reform, and conflict mitigation. Supplemental funds allowed USAID to deepen its support of democratic activists in Kazakhstan's politically repressive environment. In particular, USAID expanded political party training to include a full-time in-country trainer and increased resources to bolster our civic advocacy and education efforts. Supplemental funds also reinforced a newly-focused and expanded judicial and legal reform program. The next phase of USAID's local government assistance, which focuses on creating a constituency for decentralization, also benefited from additional supplemental resources. Supplemental funding enabled USAID to focus on reducing the threat of extremism and ethnic or resource-based conflicts in Central Asia; the Community Action Investment Project (CAIP) is the centerpiece of this conflict mitigation initiative. CAIP activities are focused on southern Kazakhstan near the Uzbekistan border to help communities identify and solve basic community problems and to address local conflicts before they become dangerous. USAID used FY 2002 performance funds to expand the small and medium enterprise (SME) program through the newly formed U.S.-Kazakhstan Business Development Partnership (also known as the Houston Initiative). In particular, USAID initiated a cooperative agreement with the European Bank for Reconstruction and Development (EBRD) to increase access to capital through a local bank lending program, and also supported the start-up of the Small Enterprise Assistance Fund's efforts to provide additional capital through equity, debt, and leasing. A small portion of performance funds also contributed to USAID's economics and business education program to continue training professors in modern economics and business practices.

**Other Program Elements:** In addition, USAID supports institutional partnerships that build lasting relationships in energy, health, and governance between the U.S. and Kazakhstan. USAID uses several centrally-managed programs, including the agreement with the Centers for Disease Control, Monitoring and Evaluation to Assess and Use Results (MEASURE)/Evaluation, and the Ecolinks environmental partnership program. The Farmer-to-Farmer Program complements other USAID agricultural enterprise activities in Kazakhstan. The Eurasia Foundation has an active small grants program in small business, local government, and civil society. The Departments of Commerce, Defense, Energy, Agriculture, and State also manage programs complementary to USAID field activities in various sectors.

**Other Donors:** The EBRD, European Union - Technical Assistance for the Commonwealth of Independent States (EU-TACIS), the Asian Development Bank (ADB), and the World Bank (WB) are active in Kazakhstan. They provide resources to promote and support the development of SMEs; build public infrastructures; and modernize Kazakhstan's tax and treasury systems. The Soros Foundation/Open Society Institute (Soros/OSI), German government, United Nations Development Program (UNDP) and Israeli government complement the multi-lateral programs in SME development. UNDP, Soros/OSI, EU-TACIS, and the Organization for Security and Cooperation in Europe support initiatives in democracy and governance. The Government of Kazakhstan has cancelled the World Bank Health Loan. Without these funds, future activities of Britain's Department for International Development (DFID) in family medicine training are in question. The UN agencies - UNAIDS, United Nations Children's Fund (UNICEF), and the World Health Organization - have important health programs and are collaborating actively with (and are funded by) USAID. The ADB is becoming more involved in the health sector, including a major regional project on iodine deficiency and anemia. The WB, Swiss government, ADB, and the Canadian International Development Agency support activities to improve natural resources management.

**Kazakhstan  
PROGRAM SUMMARY**

(in thousands of dollars)

Accounts	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
Child Survival and Health Programs Fund	200	0	0	0
FREEDOM Support Act	48,596	45,815	43,000	32,000
Supplemental - FSA/NIS	0	1,500	0	0
<b>Total Program Funds</b>	<b>48,796</b>	<b>47,315</b>	<b>43,000</b>	<b>32,000</b>

**STRATEGIC OBJECTIVE SUMMARY**

115-0120 Tax and Budget Policy				
FSA	2,400	1,455	0	0
115-0131 Small and Medium Sized Enterprise Program				
FSA	12,000	11,695	13,680	11,415
115-0161 Energy and Water				
FSA	2,700	2,700	2,450	2,421
115-0211 Strengthened Democratic Culture				
FSA	3,900	6,000	5,750	4,713
115-0230 More Effective and Accountable Local Governance				
FSA	1,800	0	0	0
115-0240 Conflict Prevention				
FSA	0	0	0	519
115-0320 Health and Population				
CSH	200	0	0	0
FSA	6,200	6,000	6,500	5,707
115-0420 Cross-Cutting Programs				
FSA	3,067	3,491	3,970	2,705
<b>TRANSFER</b>				
FSA	16,529	15,974	10,650	4,520

SO 115-0211 includes \$1,000 of FY 2002 Supplemental - FSA/NIS.

TRANSFER includes \$500 of FY 2002 Supplemental - FSA/NIS.

Mission Director,  
George Deikun

## Data Sheet

<b>USAID Mission:</b>	Kazakhstan
<b>Program Title:</b>	Tax and Budget Policy
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	115-0120
<b>Status:</b>	Continuing
<b>Proposed FY 2003 Obligation:</b>	\$0
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2004 Obligation:</b>	\$0
<b>Year of Initial Obligation:</b>	2000
<b>Estimated Completion Date:</b>	2003

**Summary:** This SO helps increase the efficiency of taxes, transparency in public finance, and the quality and efficiency of public expenditures. By making government more responsive to public demands while reducing the excess burden of taxation, this SO benefits entrepreneurs, investors, as well as the wider tax-paying public and citizenry.

### Inputs, Outputs, Activities:

#### FY 2003 Program:

Fiscal and tax reform (\$0 FSA): USAID/CAR intends to close out SO 1.2 in FY2003 and will integrate fiscal/tax reform activities into the objective for improved environment for small and medium enterprise development.

#### FY 2004 Program:

Fiscal and tax reform (\$0 FSA): None.

**Performance and Results:** Performance towards achievement of this SO met or exceeded expectations, as Kazakhstan's overall fiscal position strengthened, and the government's fiscal management continued to improve. In September, Moody's credit rating agency upgraded Kazakhstan, making it the first country in the Commonwealth of Independent States (CIS) to achieve investment grade status. Strong fiscal policy was among the factors that contributed to the upgrade. USAID's fiscal reform program contributed importantly to Kazakhstan's fiscal management achievements. The program helps increase the efficiency of taxes, transparency in public finance, and the quality and efficiency of public expenditures. By making government more responsive to public demands, while reducing the excess burden of taxation, this program benefits entrepreneurs, investors, as well as the wider tax-paying public and citizenry. Momentum from President Nazarbayev's 2001 call for accelerated reforms in Kazakhstan's fiscal policy helped boost results and reflected the internalization of and commitment to modern fiscal practices in taxation, budgeting, intergovernmental fiscal relations, and the financial status of local governments. One of our indicators, tax revenues as a percentage of GDP, remained steady at 16.8% (preliminary estimate provided by the government), still above the target for FY 2002. The government's lack of movement on intergovernmental finance in FY 2001 caused us to fall short of our associated targets this year. Nonetheless, during FY 2002, USAID's work to improve local-level fiscal finance moved forward significantly as evidenced by the adoption and implementation of program budgeting by oblast governments. Real progress in decentralization now requires that key decisions be made on the assignment of functions and responsibilities across levels of government. In May, a senior level government committee examining decentralization prepared a concept paper setting out the basic principles and strategies for reforming the system of intergovernmental fiscal relations. Incorporating numerous recommendations from USAID, this paper demonstrated recognition from the government that functions should only be devolved if there are sufficient resources (both own source revenues and intergovernmental transfer payments) to deliver such functions locally, since devolving functions without the resources to perform them effectively reduces or eliminates those services.

Although this SO is scheduled for phase-out this year, USAID would like to continue providing technical assistance in support of the pioneering public audit efforts and some targeted assistance to implement tax measures aimed at reducing the burden of taxation (including administrative costs) for small and medium sized enterprises. If the government turns the corner on inter-governmental finance, we may get requests to stay engaged in this area as well as in strengthening the fiscal management capacities of local government.

## Data Sheet

<b>USAID Mission:</b>	Kazakhstan
<b>Program Title:</b>	Small and Medium Sized Enterprise Program
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	115-0131
<b>Status:</b>	Continuing
<b>Proposed FY 2003 Obligation:</b>	\$13,680,000 FSA
<b>Prior Year Unobligated:</b>	\$1,070,000 FSA
<b>Proposed FY 2004 Obligation:</b>	\$11,415,000 FSA
<b>Year of Initial Obligation:</b>	2000
<b>Estimated Completion Date:</b>	2005

**Summary:** USAID's program to improve the environment for the growth of small and medium sized enterprises (SMEs) in Kazakhstan has three main components: 1) training present and future entrepreneurs in modern business skills and making business information more available; 2) providing more access to capital by enhancing lender knowledge, strengthening financial institutions, and creating alternative sources of capital; and 3) advocating for and training in more transparent, systematic implementation of laws and regulations. While progress has been very positive, there are concerns about corruption, agricultural land reform, corporate governance, customs and other impediments to regional trade. Our program will seek discrete targets of opportunity to address these issues in the context of ongoing programs.

### **Inputs, Outputs, Activities:**

#### **FY 2003 Program:**

Business skills and information (\$5,434,900 FSA). USAID's EdNet program, with added resources from FY02 performance funds, will give college students greater access to information and opportunities to succeed in the free market by providing teaching materials, training, research opportunities, and scholarships. USAID will also provide targeted business skills and training courses to entrepreneurs and business managers. Accounting reform, business consulting, advocacy group development, and strengthening professional associations will continue. A Regional Trade Promotion (RTP) activity will help to increase both regional trade and international trade among SMEs. Training for SMEs seeking ISO (International Operating Standards) certification will be provided through the USAID-sponsored Quality Management Center. USAID's principal partners include: Pragma Corporation (prime), Carana Corporation (prime), and Junior Achievement International (sub).

Access to capital (\$5,665,000 FSA). USAID will cooperate with the Government of Kazakhstan (GOK), the National Bank, and the private sector to continue to strengthen the financial sector, including the development of a mortgage industry, an insurance industry, a credit bureau, and a credit rating agency. Support for operation costs at the Agency for Mortgage Insurance and the credit bureau will be dependent upon our receipt of FY 2003 performance funds. Using FY 2002 performance funds, financial support to the Small Enterprise Assistance Fund (SEAF) will increase opportunities for local firms to obtain financing through equity, debt, and leasing. Those performance funds will also support training to loan officers at European Bank for Reconstruction and Development (EBRD) partner banks to facilitate greater lending. USAID's principal partners include: BearingPoint (prime), Pragma Corporation (prime), SEAF (prime), and EBRD (prime).

Implementation of laws and regulations (\$2,580,100 FSA). Legal experts will identify and help remove legal and regulatory barriers to SME development at both the national level and within five oblasts through work with SMEs, business associations, and government officials on the implementation of administrative and procedural reforms. Technical assistance to the State Customs Committee will modernize the customs regime to facilitate trade and investment. In addition, customs officials will be trained in safe search techniques, risk profiling, ethics, and anti-corruption. USAID will provide technical

assistance, primarily through its work on modernizing Kazakhstan's quality standards and certification regime, to help Kazakhstan qualify for admission to the World Trade Organization (WTO). Depending upon availability of funds we will assist the government to rationalize proposed land laws. USAID's principal partners include: Pragma Corporation (prime) and the MBA Enterprise Corps/Citizens Democracy Corps (sub).

**FY 2004 Program:**

Business skills and information (\$5,022,600 FSA). USAID will deliver technical assistance and training to entrepreneurs seeking to strengthen their business skills and practices, and assistance in business association development will foster greater advocacy for reform. Training, teaching materials, research opportunities, and scholarships will be made available to Kazakhstani universities and students. If funds permit, and based on further assessments, technical assistance would support the development of a regulatory framework needed to promote internet communications technology.

Access to capital (\$4,223,550 FSA). Technical assistance to the National Bank will continue to help develop a mortgage industry, an insurance industry, a credit bureau, and a credit rating agency. Through technical assistance and some financial support, including some FY 2002 performance funds, entrepreneurs will gain access to alternative sources of capital, including microfinance, equity, debt, and leasing. In FY 2004, USAID will continue to support training to loan officers at EBRD partner banks.

Implementation of laws and regulations (\$2,168,850 FSA). Through technical assistance and training on trade and customs issues, USAID will continue to help streamline the legal and regulatory environment to reduce the burden on business and to attract greater investment. If funds permit, and based on further assessments, USAID may provide assistance to the GOK in public sector accounting that will foster greater transparency and accountability in public finance, help develop a land market that supports private sector growth, and provide fiscal reform assistance in budget development and execution, fiscal analysis, and tax policy.

**Performance and Results:** FY 2002 performance funds allowed USAID to react quickly to expand its program in key areas through support for the newly formed U.S. - Kazakhstan Business Development Partnership. USAID trained over 2,500 businesspeople in all Kazakhstan oblasts, upgrading their skills in marketing, management, managerial accounting, and other business fields. Our work in accounting reform was key to facilitating Kazakhstan's adoption of national standards of accounting that are in compliance with International Accounting Standards (IAS). USAID partners also helped establish the Kazakhstan Franchise Association and supported the development of a new Franchising Law. In the financial sector, support to the National Bank led to the consolidation of four financial regulators, establishment of the Kazakhstan Mortgage Company, and additional improvements to the legal framework for mortgage insurance and a credit bureau. The pension system accumulations increased from \$1 billion to \$1.5 billion, corporate bond issuance grew from \$392 million to \$555 million and the value of mortgages grew from \$15 million to \$40 million. The Kazakhstan Community Loan Fund disbursed over \$1.2 million to micro-enterprises, and for the first time farmers were able to secure loans using grain receipts. Based on the overall strong progress this year, the Mission does not anticipate any significant changes to the strategic objective's current activities. Nonetheless, planned assessments of some program activities will be used to inform design and management decisions to ensure continued strong results and impact. We would also like to reassess our performance indicators to determine their effectiveness in measuring USAID's progress under this expanded program.

## US Financing in Thousands of Dollars

Kazakhstan

115-0131 Small and Medium Sized Enterprise Program	<b>FSA</b>
<b>Through September 30, 2001</b>	
Obligations	0
Expenditures	0
Unliquidated	0
<b>Fiscal Year 2002</b>	
Obligations	13,274
Expenditures	2,756
<b>Through September 30, 2002</b>	
Obligations	13,274
Expenditures	2,756
Unliquidated	10,518
<b>Prior Year Unobligated Funds</b>	
Obligations	1,070
<b>Planned Fiscal Year 2003 NOA</b>	
Obligations	13,680
<b>Total Planned Fiscal Year 2003</b>	
Obligations	14,750
<b>Proposed Fiscal Year 2004 NOA</b>	
Obligations	11,415
Future Obligations	0
Est. Total Cost	39,439

## Data Sheet

<b>USAID Mission:</b>	Kazakhstan
<b>Program Title:</b>	Energy and Water
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	115-0161
<b>Status:</b>	Continuing
<b>Proposed FY 2003 Obligation:</b>	\$2,450,000 FSA
<b>Prior Year Unobligated:</b>	\$1,453,000 FSA
<b>Proposed FY 2004 Obligation:</b>	\$2,421,000 FSA
<b>Year of Initial Obligation:</b>	2000
<b>Estimated Completion Date:</b>	2005

**Summary:** Improvements in Kazakhstan in the management of its natural resources have exceeded targets. Kazakhstan, the largest of the Central Asian republics, has abundant natural resources, including huge oil and natural gas reserves. The economic development of the country is directly tied to its ability to manage the efficient use of these resources, and USAID programs are directed at assisting Kazakhstan in this vital sector, as well as in improving policies related to energy and the management of water resources. The improved management and sound development of Kazakhstan's energy resources are important to U.S. strategic and commercial interests, especially in light of Kazakhstan's emergence as a significant energy producer in the near future. U.S. commercial interests would like to participate further in the development of oil and gas fields, and would like to see new delivery routes for these energy supplies. Economic growth and the maintenance of amicable relationships among the nations of Central Asia also depend on the equitable sharing of water resources.

### Inputs, Outputs, Activities:

#### FY 2003 Program:

Water (\$250,000). Water activities will be focused on completing ongoing activities related to communications networks, upgrading data collection and monitoring systems for forecasting water needs, and associated training. Collaborative relationships with other donors will be emphasized and pursued to expand the automated water management system to other monitoring sites. USAID will also assist in a renewal of the current five-year Transboundary Water Agreement between Kazakhstan, Kyrgyzstan, and Uzbekistan, which is due to expire this year. PA Consulting Group is the chief implementer of the Natural Resources Management Project for both the water and energy activities.

Energy (\$2,200,000). USAID's energy program will continue to focus on management methods that demonstrate simple, inexpensive, and easily replicated technology and/or practices for better overall efficiency. Equipment upgrades, robust training, and public awareness activities will accompany demonstrations. Heating demonstration models in two apartment buildings, with approximately 100 beneficiaries, will focus on heating efficiency to provide more on-site control of heat requirements at reduced costs. Astana, the country's capital, will be the focus site for demonstrating the models. Oil field clean up models will be expanded in Atyrau, the major oil producing area. Projects raise public awareness of efficiency issues and increase public participation in energy and water decision-making. USAID will also continue efforts to simplify government procedures, rules, and regulations related to the energy sector, and will continue on-going efforts with the Kazakhstan Electricity Association to develop rational tariff policies and to advocate the heating efficiency concepts exposed through the demonstration models to both the public at large and the government. We will also continue to assist the government to establish a centralized system for oil and gas data collection to increase transparency, improve regulatory practices, and to identify laws and regulations that require revision.

#### FY 2004 Program:

Water (\$485,000). Water activities related to communications and monitoring systems for forecasting water needs will continue through FY 2004. Systems will be strengthened through continued training. We will examine how we can best assist with implementation of the new transboundary water agreement. Farm level water management is planned to be a focus of training assistance.

Energy (\$1,936,000). Energy programs will continue to focus on models, referred to above, that demonstrate simple, inexpensive and easily replicated technology and/or practices. All demonstrations will be accompanied by robust training and public awareness activities. Assistance will also be directed at continued policy review and reform, and the implementation of rules and procedures that encourage investment or limit opportunities for corruption. We will continue to work with the government to further refine and improve the oil and gas data information system.

**Performance and Results:** Five demonstration projects to illustrate improved practices for oil field cleanup and heating efficiency were completed. Projects have increased public awareness and discussions with government representatives have begun on policy issues to further the expansion and adoption of these new technologies. For example in Atyrau, local residents who participated in heating efficiency projects are involved in monitoring heat and hot water use and have lobbied both the government regulator and local government for consumption-based rates for themselves and others. A previous USAID-funded study conducted for the GOK on domestic petroleum products was widely circulated, and we continue to see its recommendations reflected in new legislation and regulation that bring about greater government accountability and transparency. As a step toward this accountability and transparency, USAID is helping the Government develop a new electronic database of oil revenue and other statistics that will be accessible to the public. Energy reforms are on a positive track in Kazakhstan, and USAID assistance is essential to expand the benefits of energy efficiency, reduced costs and a more active government-public interaction with respect to energy demand and consumption. In its ongoing effort to provide future oil and gas sector leaders exposure to new technologies and international practices and standards, USAID established student chapters of various professional petroleum associations at the Kazakh National Technical University, along with a student resource center, complete with internet connectivity and a small reference library. With the encouragement of USAID, TengizChevroil chose to support a similar student chapter at the Atyrau Oil and Gas Institute.

FY 2002 water activities focused on the communications and information chain that leads to better forecasting with regard to water flow requirement. These include improved collection, analysis, and exchange of data critical to water resource management, improved weather forecasting capability, and the ability to better predict annual runoff and river stream flows.

By the completion date of the activity, water managers will have the necessary tools and training to make well-informed decisions on allocations and overall management of the resource. Future regional water and energy agreements will be based more on objective data and standards, thereby mitigating their potential for conflict among Central Asian countries. The energy sector will have proven models for increasing heating efficiency at lower costs, and for cleaning up abandoned oil sites.

## US Financing in Thousands of Dollars

Kazakhstan

115-0161 Energy and Water	<b>FSA</b>
<b>Through September 30, 2001</b>	
Obligations	0
Expenditures	0
Unliquidated	0
<b>Fiscal Year 2002</b>	
Obligations	1,847
Expenditures	1,601
<b>Through September 30, 2002</b>	
Obligations	1,847
Expenditures	1,601
Unliquidated	246
<b>Prior Year Unobligated Funds</b>	
Obligations	1,453
<b>Planned Fiscal Year 2003 NOA</b>	
Obligations	2,450
<b>Total Planned Fiscal Year 2003</b>	
Obligations	3,903
<b>Proposed Fiscal Year 2004 NOA</b>	
Obligations	2,421
Future Obligations	0
Est. Total Cost	8,171

## Data Sheet

<b>USAID Mission:</b>	Kazakhstan
<b>Program Title:</b>	Strengthened Democratic Culture
<b>Pillar:</b>	Democracy, Conflict and Humanitarian Assistance
<b>Strategic Objective:</b>	115-0211
<b>Status:</b>	Continuing
<b>Proposed FY 2003 Obligation:</b>	\$5,750,000 FSA
<b>Prior Year Unobligated:</b>	\$784,000 FSA
<b>Proposed FY 2004 Obligation:</b>	\$4,713,000 FSA
<b>Year of Initial Obligation:</b>	2001
<b>Estimated Completion Date:</b>	2005

**Summary:** USAID's Democracy Program in Kazakhstan strengthens democratic culture among citizens and target institutions by: 1) creating stronger, more sustainable civic organizations; 2) increasing availability of information on civic rights and public issues; 3) enhancing opportunities for citizen participation in governance; and 4) helping public institutions become more effective, responsive, and accountable. In an increasingly repressive environment, USAID quickly obligated supplemental funds to broaden its support of democratic activists, including additional support to political parties, human rights organizations, and civic activists. Prior year unobligated funds include \$370,000 of FY 2002 Supplemental - FSA/NIS.

### Inputs, Outputs, Activities:

#### FY 2003 Program:

Political process and institutions (\$1,700,000 FSA). USAID will strengthen the canvassing and organizing skills of political parties, movements, and independent candidates. USAID's Local Government Initiative will strengthen think tanks, professional organizations, locally-elected councils, and others who advocate for decentralization. The judicial reform program will train judges on civil and criminal issues as well as disseminate judicial decisions. USAID will step up support to Kazakhstan's fledgling human rights organizations in order to bring more public understanding and awareness of abuses. USAID's legal reform program focuses on legal education and ethics. Principal implementing partners are: the American Bar Association's Central and East European Law Institute (ABA/CEELI) (prime), Urban Institute (prime), NDI (prime), and others to be determined through competition.

Civil society (\$2,001,000 FSA). USAID will continue support to two NGO partners to conduct up to four national advocacy campaigns. USAID will support seven civil society support centers (CSSCs), that provide training, technical support, information, networking, and professional services to non-governmental organizations (NGOs). Grants will be made to support grassroots community development, national advocacy, and institutional development. Training on advocacy and strategic planning will be provided to activists and NGOs. Principal implementing partners are: Counterpart (prime), the International Center for Not-for-Profit Law (ICNL) (sub), NDI (prime), and others to be determined through competition.

Media and information (\$2,049,000 FSA). USAID will support training for 18 non-governmental television stations to improve quality, build financial stability, and editorial independence. A production fund will enable independent stations and production houses to produce local programming in the Kazakh language to fully comply with Kazakhstani law. A legal advisor will consult with media outlets to ensure that they are in compliance with the law. A print media advisor will continue to upgrade the quality of reporting. To combat trafficking in women, USAID will provide legal and policy advice to the Government and support 16 anti-trafficking hotlines and a nationwide awareness campaign. USAID will support reform of teaching methods to promote tolerance and democratic ideals from kindergarten through secondary school, roll out its civic education program for secondary schools, and support extracurricular activities.

Principal implementing partners are: Internews (prime), the International Center for Journalists (sub), Soros Foundation (prime), and others to be determined through competition.

**FY 2004 Program:**

Political process and institutions (\$1,461,030 FSA). USAID will continue to support political parties and movements that are committed to democracy. If elections are held in FY 2004, USAID's program will strengthen the capacity of political parties and citizens to participate in the process. USAID may expand its technical assistance and training to more local governments depending on commitment to greater decentralization at the national level. Judicial training may be expanded outside of Almaty and assistance to improve court administration may be provided. Protection of human rights will remain an important activity.

Civil society (\$1,366,770 FSA). Greater emphasis may be placed on strengthening the network of CSSCs, increasing local support, and membership and decreasing dependence on international organizations. Civic advocacy work will continue.

Media and information (\$1,885,200 FSA). USAID will continue its media support program to increase the quality of information available to the public. Anti-trafficking will remain a key component of USAID's Information Initiative. Youth will continue to be targeted through civic and democratic education programs as well as complementary activities for students.

**Performance and Results:** Despite a challenging environment, USAID successfully supported programs and met targets. USAID quickly obligated supplemental funds to deepen support of democratic activists, including additional support to political parties and civic activists. Supplemental funds reinforced a newly focused and expanded judicial and legal reform program and the next phase of USAID's local government assistance. USAID conducted introductory, multi-party training workshops that focused on organizational, strategic, and message development as a lead-up to an expanded political party program. USAID's training and technical assistance helped to raise the professionalism and financial independence of media outlets. RIKA TV, a provincial independent station and a recipient of USAID assistance, was recognized as best among all regional stations in the country. USAID assisted the National Association of Television and Radio Broadcasters with fundraising and development. Students are more aware of political and social issues and more active in solving social issues. To increase the availability of information, 23,980 students participated in USAID's civic education courses (exceeding our target by 20,000); 733 students participated in extra-curricular activities such as student local government days and democracy summer camps; and 350 schools used the USAID-funded civics textbook for 10th and 11th graders. Over 81,000 students participated in programs designed to develop more democratic teaching methods and increase parent involvement and student activism. USAID conducted a university-level anti-corruption course, which increased student awareness of corruption. Sixteen anti-trafficking hotlines and a widespread information campaign increased awareness about the ploys used by phony overseas companies to attract people into forced prostitution overseas. USAID supported the Youth Information Service of Kazakhstan (YISK) in its efforts against a Soviet-style draft law on youth. Opposition and pro-government faction deputies received YISK representatives very favorably, despite the government's public support for the draft law. Deputies invited YISK to participate in the parliamentary working committee to amend the law, assuring citizens a voice within the process. USAID supported the Republican Network of Independent Monitors (RNIM) to carry out a civic advocacy campaign on housing reform. RNIM gathered over 42,000 signatures in support of changes to the housing law. Housing managers and tenants have signed 279 "democratic contracts." By program's end, there will be stronger, more sustainable civic organizations, increased availability of information on civic rights and domestic public issues such as human rights and corruption, enhanced opportunities for citizen participation in governance, and more effective, responsive, and accountable public institutions.

## US Financing in Thousands of Dollars

Kazakhstan

115-0211 Strengthened Democratic Culture	<b>FSA</b>
<b>Through September 30, 2001</b>	
Obligations	0
Expenditures	0
Unliquidated	0
<b>Fiscal Year 2002*</b>	
Obligations	5,900
Expenditures	1,619
<b>Through September 30, 2002</b>	
Obligations	5,900
Expenditures	1,619
Unliquidated	4,281
<b>Prior Year Unobligated Funds**</b>	
Obligations	784
<b>Planned Fiscal Year 2003 NOA</b>	
Obligations	5,750
<b>Total Planned Fiscal Year 2003</b>	
Obligations	6,534
<b>Proposed Fiscal Year 2004 NOA</b>	
Obligations	4,713
Future Obligations	0
Est. Total Cost	17,147

\*Fiscal Year 2002 includes \$630,000 of FY 2002 Supplemental - FSA/NIS.

\*\*Prior Year Unobligated Funds includes \$370,000 of FY 2002 Supplemental - FSA/NIS.

## Data Sheet

<b>USAID Mission:</b>	Kazakhstan
<b>Program Title:</b>	Conflict Prevention
<b>Pillar:</b>	Democracy, Conflict and Humanitarian Assistance
<b>Strategic Objective:</b>	115-0240
<b>Status:</b>	New
<b>Proposed FY 2003 Obligation:</b>	\$0
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2004 Obligation:</b>	\$519,000 FSA
<b>Year of Initial Obligation:</b>	2004
<b>Estimated Completion Date:</b>	2005

**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 our ability to change structural factors at the national level is limited, our 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. Conflict prevention activities began in FY 2002 under the Mission's cross cutting program. As the conflict program will become a separate strategic objective in FY 2004, it is being notified separately for FY 2004 funding.

### Inputs, Outputs, Activities:

#### FY 2003 Program:

Conflict Prevention (\$0 FSA): As FY 2003 will be the transition year for the establishment of a separate strategic objective for conflict prevention, funding for the FY 2003 program activities is being requested under the Mission's cross-cutting program, and is reported in the separate program data sheet for cross-cutting programs. The principal partner in Kazakhstan is ACDI/VOCA.

#### FY 2004 Program:

Conflict Prevention (\$519,000 FSA): In the 15 initial communities, and the communities added during the FY 2003 expansion in the South, Almaty and Zhambul oblasts of southern Kazakhstan, USAID will continue to work closely with other partners to fold in issues of unemployment (especially among urban youth), human rights, and cultural awareness into community development activities.

**Performance and Results:** USAID took advantage of regional supplemental funding to expand conflict prevention activities into southern Kazakhstan. Our interventions now affect approximately 25,000 beneficiaries. After working with a USAID-funded school heating rehabilitation activity, one Kurdish village in Talass Rayon is undertaking major new school renovations on their own. Such behavioral change is the best kind of success and makes this program sustainable. Another community worked closely with the USAID activity to resolve a flooding problem at a local hospital, allowing for an expansion of hospital facilities. Results indicators have been developed to report on infrastructure projects completed, number of beneficiaries, reduced tension, and increased community capacity to identify and solve problems. Data collection will begin in late 2002. By the end of the conflict prevention program in 2005, at least 25,000 people will directly benefit from small-scale, community driven projects. More importantly, the community strengthening component of this activity will build the capacity for communities not only to identify and solve basic community problems, but also to address local conflicts before they become dangerous.

## US Financing in Thousands of Dollars

Kazakhstan

115-0240 Conflict Prevention	<b>FSA</b>
<b>Through September 30, 2001</b>	
Obligations	0
Expenditures	0
Unliquidated	0
<b>Fiscal Year 2002</b>	
Obligations	0
Expenditures	0
<b>Through September 30, 2002</b>	
Obligations	0
Expenditures	0
Unliquidated	0
<b>Prior Year Unobligated Funds</b>	
Obligations	0
<b>Planned Fiscal Year 2003 NOA</b>	
Obligations	0
<b>Total Planned Fiscal Year 2003</b>	
Obligations	0
<b>Proposed Fiscal Year 2004 NOA</b>	
Obligations	519
Future Obligations	0
Est. Total Cost	519

## Data Sheet

<b>USAID Mission:</b>	Kazakhstan
<b>Program Title:</b>	Health and Population
<b>Pillar:</b>	Global Health
<b>Strategic Objective:</b>	115-0320
<b>Status:</b>	Continuing
<b>Proposed FY 2003 Obligation:</b>	\$6,500,000 FSA
<b>Prior Year Unobligated:</b>	\$1,079,000 FSA
<b>Proposed FY 2004 Obligation:</b>	\$5,707,000 FSA
<b>Year of Initial Obligation:</b>	2001
<b>Estimated Completion Date:</b>	2005

**Summary:** USAID's quality primary health care (PHC) objective is creating a higher quality PHC system in select oblasts through retraining of doctors and nurses in family medicine and implementing incentive-based provider payment systems. Health sector NGOs are strengthened to become financially viable and stronger advocates. Post-graduate programs are being developed in public health and health management. Activities to control tuberculosis are being addressed by training doctors and laboratory specialists in accurate diagnosis and treatment, and in establishing modern surveillance methods, including a computerized surveillance system. Efforts in HIV are focused on containing the concentrated HIV epidemic among injecting drug users by increasing NGOs' preventive efforts, marketing condoms, mapping high HIV transmission areas, and introducing a surveillance system to document HIV levels.

### **Inputs, Outputs, Activities:**

#### **FY 2003 Program:**

Increase the quality of primary health care (\$2,968,000 FSA). USAID will promote healthy behaviors through family planning and "Keeping Children Healthy" campaigns in four oblasts and health education of PHC clients on sexually transmitted infections (STIs) and HIV/AIDS. More PHC doctors will be trained in family medicine, including hypertensive care, reproductive health (RH), and treatment of children with diarrhea and acute respiratory infection. Quality improvement pilots will be initiated on hypertension, and acute respiratory infection in children. The Red Apple RH Hotline, a free confidential source of accurate reproductive health information, managed by the Kazakhstan Business Women's Association, will be extended to 3 new cities. A safe motherhood pilot will improve care of pregnant women. Technical assistance continues at the national level on introducing co-payments and equalizing health resource allocation across oblasts. Per capita financing will be started in Almaty and payment systems refined and extended in Karaganda Oblast. Systems to register people in PHC will be improved and rolled out. The Kazakhstan School of Public Health will design a nursing administration program and implement a public health doctoral program with Virginia Commonwealth University. The model Family Medicine Ambulatory in Astana will train social workers and add programs on STIs and drug and alcohol addiction. USAID will train health sector NGOs and award them small grants to identify and implement health projects with communities. USAID will start a medical education program and award a new contract to continue PHC work. Principal implementing partners are: Abt Associates (prime), American International Health Alliance (AIHA) (prime), and Counterpart Consortium (prime).

Control TB and other infectious diseases (\$1,682,000 FSA). USAID will continue training of health staff on the Directly Observed Treatment Short-course (DOTS) approach. Pre-service DOTS-related curricula will be developed and tested in a medical school. TB specialists will be trained in laboratory diagnosis and use of an electronic surveillance system. Two prison TB labs will be equipped and staff trained. Two pilot projects will be started to develop models for treatment of multi-drug resistant TB. TB learning centers will be established in seven oblasts and an internet library center will be funded in the Republican TB Institute. A regional two-year Applied Epidemiology program will be established at the School of Public

Health. Principle implementing partners are: The Centers for Disease Control and Prevention (CDC) (prime) and Project Hope (prime).

Prevent the spread of HIV/AIDS (\$1,100,000 FSA). CDC will continue to establish HIV sentinel surveillance sites in four locations. Twelve HIV/AIDS NGOs will offer basic medical care, free condoms, and referrals to social workers, STI clinics, HIV testing sites, and legal services. Voluntary counseling and testing programs will be initiated. USAID will start a treatment program for HIV/AIDS patients, including training, monitoring, and management of opportunistic infections. In Almaty and Karaganda, condoms will be marketed to at-risk young adults, school-based education on STIs and HIV/AIDS will be initiated, and outreach work to high risk groups will begin. Principal implementing partners are: CDC (prime), Population Services International (PSI) (prime), Soros Foundation (prime), and the University of North Carolina (prime).

Improve maternal and child health services (\$750,000 FSA). USAID will train health staff to better manage obstetric and pre-natal care and extend training on management of serious childhood illnesses to new regions. Principle implementing partner is: Project Hope (prime).

**FY 2004 Program:**

Increase the quality of primary health care (\$3,653,500 FSA). USAID will continue health promotion activities, training of PHC staff, small grant support to health sector NGOs and medical education activities. Pilot programs in quality improvement and health care financing will be expanded. AIHA's first five-year cooperative agreement is ending. USAID/W has completed a follow-on agreement and USAID/CAR is currently discussing a new partnership for the country.

Control TB and other infectious diseases (\$1,140,400 FSA). USAID will train family doctors on diagnosis and community treatment of TB patients, train monitoring teams for the oblast level, continue training of specialists in electronic surveillance and laboratory diagnostics, monitor TB lab quality, and extend pilots on MDR TB. USAID will continue funding of the Applied Epidemiology training program.

Prevent the spread of HIV/AIDS (\$463,100 FSA). USAID will continue establishing HIV/AIDS surveillance of high-risk groups, will integrate this program with other infectious disease surveillance activities, and continue to improve laboratory diagnostic quality. USAID will continue funding HIV/AIDS NGOs and work to improve their preventive programs. USAID will expand condom social marketing to new sites of high HIV prevalence.

Improve maternal and child health services (\$450,000 FSA). USAID will continue training physicians and nurses to better manage obstetric and pre-natal care and to manage serious childhood illnesses.

**Performance and Results:** USAID-initiated reformed PHC practices cover 39% of Kazakhstan's population. People are increasingly relying on PHC practices for outpatient care, with PHC visits comprising 42.5% (40% target) of total outpatient visits. PHC is also better funded, producing 19% of total health expenditures, up from 12% last year. The Red Apple Reproductive Health Hotline was extended to one new city and phone calls seeking information doubled. NGOs worked in communities supporting children whose parents are hospitalized with TB. TB deaths continue to decrease. Of those who started treatment in 2000, 75% were cured using the DOTS approach. Results indicate that TB laboratories' and facilities' average scores on minimum standards checklists exceeded targets at 78% for labs (72% target) and 77.4% for facilities (73% target). A large-scale study of 1,600 injecting drug users and sex workers was completed to better understand the HIV picture in Kazakhstan. Eleven grants were awarded to HIV/AIDS NGOs that work on prevention among high-risk groups. By program's end, systemic reform should improve the quality and expand the availability of primary health care and make resource use more efficient. Kazakhstan's health sector will manage and prevent the spread of infectious disease, improve prenatal care, and reduce child malnutrition.

## US Financing in Thousands of Dollars

Kazakhstan

	ESF	FSA
115-0320 Health and Population		
<b>Through September 30, 2001</b>		
Obligations	997	27,906
Expenditures	997	13,980
Unliquidated	0	13,926
<b>Fiscal Year 2002</b>		
Obligations	0	8,013
Expenditures	0	15,041
<b>Through September 30, 2002</b>		
Obligations	997	35,919
Expenditures	997	29,021
Unliquidated	0	6,898
<b>Prior Year Unobligated Funds</b>		
Obligations	0	1,079
<b>Planned Fiscal Year 2003 NOA</b>		
Obligations	0	6,500
<b>Total Planned Fiscal Year 2003</b>		
Obligations	0	7,579
<b>Proposed Fiscal Year 2004 NOA</b>		
Obligations	0	5,707
Future Obligations	0	0
Est. Total Cost	997	49,205

## Data Sheet

<b>USAID Mission:</b>	Kazakhstan
<b>Program Title:</b>	Cross-Cutting Programs
<b>Pillar:</b>	Democracy, Conflict and Humanitarian Assistance
<b>Strategic Objective:</b>	115-0420
<b>Status:</b>	Continuing
<b>Proposed FY 2003 Obligation:</b>	\$3,970,000 FSA
<b>Prior Year Unobligated:</b>	\$160,000 FSA
<b>Proposed FY 2004 Obligation:</b>	\$2,705,000 FSA
<b>Year of Initial Obligation:</b>	2001
<b>Estimated Completion Date:</b>	2005

**Summary:** The cross-cutting program supports all of USAID's strategic objectives, and includes four main components: 1) conflict prevention through public dialogue and improvement of small scale social and physical infrastructure; 2) training and exchanges to support USAID's technical assistance programs; 3) Eurasia Foundation sub-grants to strengthen non-government organizations and community groups; and 4) program development support for cross-cutting evaluations, monitoring, designs, studies, technical assistance, and program management assistance. The basic education program is not part of the Kazakhstan program. Regional supplemental funding was critical for an expansion of the conflict prevention activities into southern Kazakhstan, an area with the highest potential for community level conflict. In FY 2004 conflict prevention activities will be managed and funded as a separate program.

### **Inputs, Outputs, Activities:**

#### **FY 2003 Program:**

Conflict prevention (\$600,000 FSA). Supplemental funding will be used to expand USAID's conflict prevention activities beyond its 15 initial communities in the South, Almaty, and Zhambul Oblasts, and will better equalize efforts between rural and urban settings, especially in Shymkent, Taraz, and Turkestan cities, and the border and transit areas. We will also work more closely with other partners to fold in issues of unemployment (especially among urban youth), human rights, and cultural awareness. Although none of USAID's conflict prevention program activities will, in and of themselves, end conflict or extremism, they will continue to serve as a focal point for the USG's efforts to mitigate potentially violent discord. ACDI-VOCA (prime) is the grantee for this activity.

Participant training (\$1,450,000 FSA). USAID's training activity will complement our technical assistance program in Kazakhstan. More than 1,500 participants will receive training during FY 2003. Training will continue in the U.S. and in third countries, but greater emphasis will be placed on more cost-effective, in-country training programs. Training programs will be targeted at fiscal reform, small/medium enterprise development, democratic reform, local governance, health-care reform, energy and water resources, conflict resolution, and various cross-cutting objectives. The focus of the training program will shift from tracking participants to reporting on results and achievements. Greater attention will be paid to participant selection and program design. Academy for Educational Development (prime) is the contractor for this activity.

Eurasia Foundation (\$750,000 FSA). Eurasia grants help implement USAID's objectives and complement other USAID programs in the economic and democracy sectors. The Regional Independent Media Support Initiative will help create professionally qualified, responsible journalists and financially independent newspapers that are able to withstand political pressure. Small/medium enterprises will be supported through the establishment of "Business Incubators," whether by direct support of the incubators themselves or by contributing to the establishment of an enabling environment for them to exist. The Business Incubation model provides a wholesale approach to assisting enterprises, much the same way that credit lines operate for microcredit. Budget transparency and citizen participation in budgeting are essentially absent; therefore, the new "Budgetary Transparency" Initiative will offer training and small

grants for Kazakhstani organizations that want to uncover and analyze budget items, and involve citizens in the budgeting process. The Eurasia Foundation (prime) is the grantee for this activity.

Program support (\$1,170,000 FSA). Funding will provide for a wide range of support activities. As required, funding will support unanticipated opportunities to advance or reinforce USAID objectives. A major evaluation of the 10-year participant training program will be conducted. A region wide gender-training program will be conducted for USAID staff to increase capacity to incorporate gender issues in programs and activities. Program personnel essential to the implementation of program activities will be supported by this category.

**FY 2004 Program:**

Participant training (\$1,205,000 FSA). USAID will continue to utilize participant training to complement its on-going technical assistance in the other five strategic objective areas. More than 1,500 participants will be trained through participant training projects in Kazakhstan in FY 2004. As in FY 2003, USAID will place greater emphasis on more cost-effective in-country training programs, in addition to the training that takes place in the United States and third countries.

Eurasia Foundation (\$500,000 FSA). The Eurasia Foundation will continue to provide grants on an open-door basis in all three sectors (private enterprise, civil society, and public administration) to NGOs in Kazakhstan.

Program support (\$1,000,000 FSA). A wide range of program and personnel support activities will continue. It is anticipated that funding will support various assessments in anticipation of a new strategy for 2005.

**Performance and Results:** With supplemental funds, USAID expanded conflict prevention activities into southern Kazakhstan. Our interventions now affect approximately 25,000 beneficiaries. After working with a USAID funded school heating rehabilitation activity, one Kurdish village in Talass Rayon is undertaking major new school renovations on their own. This sort of behavioral change is the best kind of success and makes this program sustainable. Another community worked closely with the USAID activity to resolve a flooding problem at a local hospital, allowing for an expansion of hospital facilities. More formal results indicators and data sheets have been developed, which report on infrastructure projects completed; number of beneficiaries; reduced tension; and increased community capacity to identify and solve problems. In FY 2002, USAID trained over 1,300 Kazakhstani citizens (approximately 50% of who were women) in the areas of development of microfinance institutions, NGO advocacy, small/medium enterprise support, higher education, environmental NGOs and health-care reform. The overall impact is strong. As an example, after training on public awareness campaigns and social marketing for health educators, the executive director of the Kazakhstan Association of Family Physicians (KAFFP) initiated an advocacy campaign in Kokshetau to successfully prevent the closing of family outpatient clinics. Eurasia grants help implement USAID's objectives and complement other USAID programs in the economic and democracy sectors. Fifty-one grants were made to Kazakhstani NGOs in FY 2002, averaging \$19,650. The grants supported private enterprise development, civil society, public policy, and administration. One grantee, The Youth Information Service of Kazakhstan (YISK), with a grant of \$34,000 began an advocacy campaign to help demand the services and facilities for which they were paying. The campaign also served to create believers that democratic action does work. By the end of the conflict mitigation program in 2005, at least 25,000 people will directly benefit from small-scale, community-driven projects. More importantly, the community strengthening component of this activity will build the capacity for communities to address local conflicts before they become dangerous. Training and grants will provide entrepreneurs and reformers in civil society and health care with the skills and experience they need to make significant, sustainable impacts in their field of work.

## US Financing in Thousands of Dollars

Kazakhstan

	ESF	FSA
115-0420 Cross-Cutting Programs		
<b>Through September 30, 2001</b>		
Obligations	279	21,105
Expenditures	279	18,056
Unliquidated	0	3,049
<b>Fiscal Year 2002</b>		
Obligations	0	4,763
Expenditures	0	2,880
<b>Through September 30, 2002</b>		
Obligations	279	25,868
Expenditures	279	20,936
Unliquidated	0	4,932
<b>Prior Year Unobligated Funds</b>		
Obligations	0	160
<b>Planned Fiscal Year 2003 NOA</b>		
Obligations	0	3,970
<b>Total Planned Fiscal Year 2003</b>		
Obligations	0	4,130
<b>Proposed Fiscal Year 2004 NOA</b>		
Obligations	0	2,705
Future Obligations	0	0
Est. Total Cost	279	32,703