

Central Asian Republics Regional

The Development Challenge: The U.S. has strong national interests in Central Asia. The countries of Central Asia are critical allies in the war on terrorism and could help diversify world energy supplies. Thus regional stability and development in this critical region are important to U.S. national interests.

The regional nature of Central Asia's development challenges requires coordinated and integrated assistance from USAID. Several regional issues pose particular challenges. All countries in the region have a vital stake in improving regional management of water resources, which are absolutely essential to the agricultural sector and energy supply sector, not to mention the ecological problems posed by the disappearing Aral Sea. Health issues are rapidly becoming regional in nature. Infectious diseases, and the incidence of tuberculosis, HIV/AIDS, and drug use, have increased dramatically in all countries in Central Asia, and a failure to prevent the spread of malaria from Afghanistan to Tajikistan has now resulted in a malaria problem that has already grown into a regional threat. While there is variation across the countries of Central Asia, democracy, human rights and independent media benefit from a regionally coordinated approach since authoritarian governance is pervasive in all countries. The basic education system in all countries has suffered dramatic setbacks since independence, with deteriorating quality and reduced resources. Regional trade is essential to the region's overall economic development, and many barriers remain to overcome the difficulties, especially for small and medium enterprises. Risks of regional conflict also poses serious challenges. The stresses on individual communities produced by these challenges and the need for employment to satisfy growing populations, who are divided by artificial national borders, create a ripe environment for conflict.

The USAID Program: To meet these challenges, the goals of USAID in Central Asia are to promote regional stability through economic growth and democratic development, which provides opportunities for citizens to participate and to improve their livelihoods and quality of life. USAID's regional objectives parallel and support the specific country objectives. In FY 2002, USAID's program included water management, media and information, infectious disease control, regional trade, and conflict prevention. USAID also expanded its cross-cutting initiative in conflict prevention through community development and explored opportunities in higher education, anti-corruption, and rule of law.

In water management, the shared use of water for irrigation, livelihoods, and electricity generation are difficult challenges for the Central Asian Republics. Because of this, USAID focuses on improving the management of regional water and energy resources. The major components of this program are training for water, energy, and meteorological officials and managers; installation of sustainable, affordable system models that demonstrate new and more efficient technology and management techniques; improvement and strengthening of regional and international water and energy agreements; and building public commitment to sustainable natural resource management policies and practices.

In economic and financial development, USAID supports economic reform, including accession to the WTO in all countries of the region, except Turkmenistan. USAID's efforts to increase access to business information, knowledge and skills have made substantial progress. The legal and regulatory framework for micro-finance has also been improved in Uzbekistan and Tajikistan through sharing of best practices from more mature programs in Kyrgyzstan and Kazakhstan. Regional funding for the expansion of micro-finance activities in Tajikistan and Uzbekistan was particularly productive. In a six-month period approximately 740 loans have been made (70% were women recipients), and the repayment rate has been 100 percent.

The U.S. government interest in human rights and combatting the growth of criminal activity are key aspects of our democracy programs. Regional funds also supported the production and broadcasting of the television program, Open Asia. In a region characterized by inter-ethnic conflict, Open Asia promotes improved inter-ethnic and inter-state relations, dialogue and understanding. The program is generally well-received throughout the region, though it is still controversial in some more conservative areas. Regional funds were also used to assess the opportunities to promote religious tolerance to help guide program development.

Regional funding complemented country specific funding for several projects in HIV/AIDS and tuberculosis as well as activities that benefit women and children.

The cross-cutting regional program includes the Community Action Investment Program (CAIP), which is helping to prevent potential sources of conflict by improving community participation in social infrastructure projects in targeted communities throughout Central Asia. Community action programs, begun in the summer of 2002, are targeted where risks of communal or ethnic conflicts are greatest. CAIP is designed to increase citizen participation in community decision-making and local government, and to mitigate conflict by promoting economic recovery and inter-ethnic cooperation.

The Program Data Sheets provided below cover five strategic objectives and one special objective for which USAID is requesting regional funds. These five objectives promote reforms and training that foster the growth of small and medium enterprises, promote civil society and expand access to information, improve primary health care and prevent infectious disease, encourage better use of the region's water and energy resources, and address other cross cutting issues within the region. Given the focus on Central Asia since the war on terrorism, the new special objective for conflict prevention will pull together USAID's on-going conflict prevention activities in order to highlight their contribution to broader U.S. objectives in the region. FY 2003 funds will be used to implement the program as currently planned and previously described in the FY 2002 Congressional Budget Justification, including cross-cutting objectives in youth, gender, anti-corruption and rule of law. Regional resources will complement country resources to allow for multi-country expansion of activities supporting regional objectives. Specific activities to be funded by FY 2003 and FY 2004 appropriations are described in the Program Data Sheets that follow.

Supplemental Funds: Regional supplemental funds were quickly obligated for the initial start up of conflict prevention activities in all five Central Asian countries, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. This allowed USAID to focus on reducing the threat of extremism and ethnic and/or resource based conflicts. The Community Action Investment Project, begun in the last half of FY 2002 is the centerpiece of this conflict prevention program. The Peaceful Communities Initiative, started with performance funds in early FY 2002, is the forerunner of our conflict program. These two activities are the principal interventions of USAID's conflict program. Activities have begun in more than 140 communities with more than 160,000 people benefitting from assistance. Regional supplemental funds also were essential for the expansion of micro-finance activities in Tajikistan and Uzbekistan. In 2002, in a six-month period, approximately 750 loans were made; 70% of the loan recipients were women. To date, there is a 100% repayment rate.

Other Program Elements: Other USAID funding sources, which complement and reinforce the inputs of regional funding, are directed at country specific programs. These activities are addressed in individual country reports.

Other Donors: Donor relations are detailed in individual country summaries. We work closely with bi-lateral and multi-lateral organizations to address country specific and regional issues. The World Bank, the European Bank for Reconstruction and Development and the Asian Development Bank are important regional partners, particularly in water, energy, education and trade.

**Central Asia Regional
PROGRAM SUMMARY**

(in thousands of dollars)

Accounts	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
FREEDOM Support Act	7,567	7,850	9,000	6,000
Emergency Response Fund - FSA/NIS	0	6,000	0	0
Total Program Funds	7,567	13,850	9,000	6,000

STRATEGIC OBJECTIVE SUMMARY

176-0131 Small and Medium Sized Enterprise Program				
FSA	500	1,000	1,050	814
176-0161 Water and Energy				
FSA	4,000	3,500	3,150	2,783
176-0211 Democratic Culture and Institutions				
FSA	0	500	550	407
176-0240 Conflict Prevention				
FSA	0	0	0	341
176-0320 Health and Population				
FSA	967	1,000	1,050	814
176-0420 Cross-Cutting Programs				
FSA	0	7,000	2,300	341
TRANSFER				
FSA	2,100	850	900	500

SO 176-0420 includes \$6,000 of Emergency Response Fund - FSA/NIS.

Mission Director,
George Deikun

Data Sheet

USAID Mission:	Central Asian Republics Regional
Program Title:	Small and Medium Sized Enterprises
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	176-0131
Status:	Continuing
Proposed FY 2003 Obligation:	\$1,050,000 FSA
Prior Year Unobligated:	\$105,000 FSA
Proposed FY 2004 Obligation:	\$814,000 FSA
Year of Initial Obligation:	2000
Estimated Completion Date:	2005

Summary: USAID's regionally-funded program to improve the environment for the growth of small and medium sized enterprises (SMEs) focuses on training present and future entrepreneurs in modern business skills and making business information more available. Regional supplemental funding enabled USAID to act quickly to initiate new micro-finance programs to stimulate greater economic opportunities, which will result in increased regional stability.

Inputs, Outputs, Activities:

FY 2003 Program:

Business skills and information (\$1,050,000 FSA). Through technical assistance, training, and some financial support, USAID will continue to support an internationally recognized, Russian-language accounting education, examination, and certification program. Financial assistance for Junior Achievement International will help students gain access to and familiarity with free market principles through training programs and targeted coursework. Some FY 2002 supplemental funds will complement country funds to support the development of a strong microfinance sector in Uzbekistan and Tajikistan. USAID's principal partners include Certified International Professional Examination Network (CIPA-EN) (prime), ACDI/VOCA/FINCA (prime), American Councils (sub), the International Finance Corporation (prime), Junior Achievement International (sub), and the International Council of Certified Accountants and Auditors (prime).

FY 2004 Program:

Business skills and information (\$814,000 FSA). Through technical assistance, training and regional funding USAID will continue to support an internationally recognized, Russian-language accounting education, examination, and certification program. If funds permit, USAID will continue to assist Jr. Achievement in helping students gain access to and familiarity with free market principles through training programs and targeted coursework. Regional funds will continue to support USAID efforts to help develop stronger microfinance institutions by building capacity and providing additional lending capital to microfinance institutions.

Performance and Results: Regional supplemental funds: With regional supplemental funding made available through the Mission's cross-cutting program, USAID expanded micro-finance activity in two cities of the Ferghana Valley, Khojent in Tajikistan, and Andijan in Uzbekistan. While lending only began in March, the number of clients in Uzbekistan has already reached 405 (69% women) with \$59,000 in loans disbursed. These results have been achieved without compromising the quality of loans, and arrears remain at zero. Also, with input from USAID and other donors and stakeholders, the government adopted a long-awaited resolution that allows development agencies to legally implement micro-credit activities. The next step will be to develop a comprehensive legal framework for microfinance institutions, which is the objective of a new program to be implemented by the IFC with USAID financing. The number of clients in Tajikistan has already climbed to 343 (72% women) with \$65,000 in loans disbursed with a 100% repayment rate. USAID also used supplemental funding to begin partnering with IFC to develop a

legal and regulatory framework that supports the growth of micro-financial institutions and promotes sustainable development. At the end of the program we expect a strong micro-finance sector and an overall improved environment for small and medium enterprise development.

Regional funds were important in our efforts to broaden greater economic opportunities and increased regional stability. In FY 2002, USAID's accounting reform program offered international certification for two new internationally recognized classifications for accountants: Certified Accounting Practitioners (CAP) and Certified International Professional Accountants (CIPA). USAID established the Certified International Professional Examination Network (CIPA-EN), a not-for-profit organization legally registered in the U.S. in July 2002, to deliver accounting examinations that conform to international standards. In May and September 2002, CIPA-EN developed, administered, and graded a total of 5,061 CAP/CIPA exam papers in the five Central Asian Republics and Ukraine. The International Accounting Standards Committee Foundation (IASCF) endorsed the CIPA program and is represented on the CIPA-EN Board of Directors, while the American Institute of Certified Public Accountants (AICPA) has reviewed CIPA-EN's administration and grading procedures and found them satisfactory. To further bolster this program, USAID provided financial and technical support to establish the International Council of Certified Accountants and Auditors (ICCAA), which includes 12 members from Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan, Ukraine, and Russia. ICCAA has endorsed the CAP/CIPA program as the technical requirement for individual members of ICCAA's member associations.

In education, Junior Achievement International (JA) made progress in exposing young people to free market principles. A regional office was established in Almaty, Kazakhstan to serve and support the countries of the Former Soviet Union with a focus on Central Asia. JA programs are delivered to students from ages six to 18 and have been translated into Kazakh, Kyrgyz, and Tajik languages. In Central Asia, including the Caucasus, there was a projected 86% increase in students participating in JA in the 2002-2003 school-year. JA now reaches 426,000 students.

By the end of the program, positive changes in the business environment, including widespread access to microcredit, the acceptance and use of International Accounting Standards (IAS), and a new generation of business leaders and reformers educated in market economics and modern business practices, will foster the growth of Central Asia's small and medium enterprises. SMEs, in turn, will form the foundation of economic development in the region, creating much-needed jobs and revenue.

US Financing in Thousands of Dollars

Central Asia Regional

176-0131 Small and Medium Sized Enterprise Program	FSA
Through September 30, 2001	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2002	
Obligations	925
Expenditures	119
Through September 30, 2002	
Obligations	925
Expenditures	119
Unliquidated	806
Prior Year Unobligated Funds	
Obligations	105
Planned Fiscal Year 2003 NOA	
Obligations	1,050
Total Planned Fiscal Year 2003	
Obligations	1,155
Proposed Fiscal Year 2004 NOA	
Obligations	814
Future Obligations	0
Est. Total Cost	2,894

Data Sheet

USAID Mission:	Central Asian Republics Regional
Program Title:	Water and Energy
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	176-0161
Status:	Continuing
Proposed FY 2003 Obligation:	\$3,150,000 FSA
Prior Year Unobligated:	\$1,044,000 FSA
Proposed FY 2004 Obligation:	\$2,783,000 FSA
Year of Initial Obligation:	2000
Estimated Completion Date:	2005

Summary: Energy and water resources are both key elements to sustained economic growth and regional stability in Central Asia. The shared use of water resources for electric power generation and irrigation is one of the most difficult challenges faced by the Central Asian Republics. USAID's program in energy and water is focused on activities that will contribute to improved management at national and regional levels. The program seeks to foster cooperation among Central Asian nations, and several activities are directed specifically at advancing and achieving regional goals. The major components of USAID's regional program are: 1) training for water, energy, and weather technical staff and managers; 2) installation of sustainable, affordable models that demonstrate new and more efficient technologies and management techniques, in both energy and water sectors; 3) improvement and strengthening of regional and international water and energy agreements; and 4) development and building of public commitment leading to sustainable natural resource management policies and practices.

Inputs, Outputs, Activities:

FY 2003 Program:

Regional water and energy (\$3,150,000 FSA). USAID's on-going regional Natural Resources Management Project is working to improve collection, analysis and exchange of data critical to water resource management, including improved weather forecasting capability and the ability to better predict annual runoff and river stream flows. USAID has provided improved monitoring equipment and training programs for the modeling of water runoff from snowmelt in order to facilitate river flow forecasting and farm water allocations. This improves decision-making and the overall management of the countries' vital water resources. USAID supports the linking of remote automated stations into a regional network for collecting and analyzing data. When networks are completed, this information will be an important ingredient in each country's ability to know the characteristics of its water resources, make more informed allocations of water among users, and be more informed as they discuss and enter into agreements covering water and related energy resources.

The presidents of the Aral Sea Basin states have expressed a need for more regional cooperation in water and energy, and USAID is assisting in that effort through its innovative Transboundary Water and Energy Project, which began during 2002. Consensus building activities facilitate getting regional water staffs together to openly discuss water and energy issues. A series of short-duration technical analyses will be undertaken to provide much-needed technical options which can facilitate and complement consensus building activities. The program works in close cooperation with key technical and policy representatives in the Aral Sea Basin to develop and agree on measures to reduce the main transboundary water and energy conflict in the basin. These actions are carried out in harmony with on-going World Bank and Asian Development Bank activities designed to address large investments associated with energy generation, in particular. Short, medium, and long-term options to reduce potential conflict between upstream and downstream users are being designed in collaboration with the stakeholders in the basin. A promising short-term option is the rapid reduction of the high level of technical and non-technical losses in the Kyrgyz energy system. USAID will support the implementation of

an immediate loss reduction demonstration program in Kyrgyzstan. USAID will sponsor an evaluation of both the storage options for water in Uzbekistan and the completion of the construction of two hydroelectric projects (designed in the 1980's) upstream of the Toktogul Reservoir in Kyrgyzstan. These evaluations will consider the viability of these two options as a long-term solution for Kyrgyzstan's power system expansion and Uzbekistan's summer water needs. Principal implementing partners for this project are PA Consulting (prime) and Meteor Communications Corporation (prime).

FY 2004 Program:

Regional water and energy (\$2,783,000 FSA). Since water and energy issues are regional in nature, this program was historically funded through regional funding. Over the past few years, funding has gradually moved into country budgets as the regional funding has decreased. In FY 2004, planned regional funding levels will limit regional interventions.

Activities will focus on providing decision makers with technological and structural solutions to the various system changes that will need to take place for the countries of the region to meet basic needs for water and energy. This will include activities that support international financial institution lending that finances upgrades of energy and water infrastructure. It will also include public outreach activities to inform the citizens of the region about the role they must play in reducing the losses to the systems of the region. Additional support will improve national forecasters' abilities to predict water and energy demand and availability. This activity will also provide a stronger, more objective basis for decision- and policy-makers with regard to trans-boundary water and energy agreements between the Central Asian Republics. In order to broaden program objectives in the coming years, the Mission will be examining new initiatives to strengthen the outreach and impact of water and energy activities.

Performance and Results: Through the Transboundary Water and Energy Project, USAID played a key role in encouraging dialogue and data-based decision-making as a way to settle politically sensitive transboundary issues. This activity builds on past successful USAID efforts and assists in bringing Central Asian republics together to conclude regional water and energy agreements. A key feature of this project is collaboration with the World Bank and the Asian Development Bank, providing key technical inputs, which will lead to agreements and loans for improvements in the sector. This process has been successful in getting Tajikistan and Uzbekistan together to sign a joint agreement for commercial sales of electricity between the countries, a requirement for an Asian Development Bank loan of \$126 million to upgrade the trans-border measurement of electricity trading. USAID assisted water policymakers in developing agreements that meet international standards and provide an objective basis for decision-making through activities in forecasting snowmelt runoff. Central Asian national river flow forecasting agencies are participants in the Regional Snowmelt Runoff Committee that meets semi-annually to improve water allocations for the region. After USAID provided equipment and training, the committee is collecting and processing water data. Water and energy pilot demonstration models, along with training and public outreach, are now underway in the region. When completed, they will provide managers and policymakers with more efficient, and sustainable means to manage and use the region's natural resources. For example, after retro-fitting an institution with energy saving devices, the institution becomes a learning center for others outside the community with similar issues to address. The value of the training program is highlighted by the fact that various government agencies and NGOs have already replicated and are using many of the training courses USAID developed to educate their staff and others on better water and energy management techniques.

By the end of the program, Central Asian water managers will have the capacity to effectively manage scarce water resources to generate much-needed electrical energy and to irrigate vast amounts of productive farmland and avert conflict over resource access. USAID water and energy demonstration models and upgrades will be replicated on a wide scale, incorporating best practices and efficient use of resources.

US Financing in Thousands of Dollars

Central Asia Regional

176-0161 Water and Energy	FSA
Through September 30, 2001	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2002	
Obligations	3,075
Expenditures	699
Through September 30, 2002	
Obligations	3,075
Expenditures	699
Unliquidated	2,376
Prior Year Unobligated Funds	
Obligations	1,044
Planned Fiscal Year 2003 NOA	
Obligations	3,150
Total Planned Fiscal Year 2003	
Obligations	4,194
Proposed Fiscal Year 2004 NOA	
Obligations	2,783
Future Obligations	0
Est. Total Cost	10,052

Data Sheet

USAID Mission:	Central Asian Republics Regional
Program Title:	Democratic Culture and Institutions
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	176-0211
Status:	Continuing
Proposed FY 2003 Obligation:	\$550,000 FSA
Prior Year Unobligated:	\$188,000 FSA
Proposed FY 2004 Obligation:	\$407,000 FSA
Year of Initial Obligation:	2002
Estimated Completion Date:	2005

Summary: USAID's regional democracy programs promote a more democratic culture among citizens and targeted institutions in Central Asia through: creating stronger and more sustainable civic organizations; increasing the availability of information on civic rights and domestic public issues; increasing opportunities for citizen participation in governance; and strengthening the judiciary and local governments.

Inputs, Outputs, Activities:

FY 2003 Program:

Civil society (\$129,150 FSA). USAID's current cooperative agreement for providing NGO support expires in March, 2003. Under the new program, USAID will provide financial support, and technical assistance to a network of more than 30 civil society support centers in Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, and Turkmenistan. This assistance will include training and advisory services to improve the centers' financial and institutional sustainability as well as increase their capacity to provide resources and training to Central Asian NGOs. Using regional funds, USAID will conduct an evaluation of its civil society program and design a request for applications for the follow-on program. Regional funds will also be used to support networking activities across borders such as roundtables and conferences for the civil society support centers. Principal implementing partners are Counterpart International (prime) and others to be determined through competition.

Media and information (\$420,850 FSA). USAID will continue the production of Open Asia, a 30-minute weekly television program that is broadcasted by 40 privately-owned television stations in Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan. Open Asia reaches millions of people in those countries. As part of a training effort, journalists will produce feature stories that chronicle the pressing political and social problems of their countries.

To supplement existing initiatives supporting independent media in Central Asia, USAID will launch a new Press Freedom Project in Kazakhstan, Kyrgyzstan, Uzbekistan, and Tajikistan. This new program will build and expand on the positive experience of USAID-supported Kazakhstani media watchdog NGOs in monitoring of violations of freedom of speech. The regional funds allocated towards this project will be used to organize a conference to share experiences and techniques between countries at the end of the first year of the project.

Also as part of its information initiative, USAID will launch a new anti-trafficking program in Kyrgyzstan, Uzbekistan, Kazakhstan, Tajikistan and Turkmenistan. Regional funds will be used to assess trafficking problems in Central Asia and design a request for applications. Additionally, regional funds will support networking, coordination, and information activities for the new program. For example, a USAID-supported organization produced a hard-hitting trafficking documentary for Ukrainian television last year. Plans are underway to have this trafficking documentary translated into Kazakh, Kyrgyz, Uzbek, Turkmen, and Russian. Principal implementing partners are: Internews (prime), the International Center for Journalists (ICFJ) (sub), and others to be determined through competition.

FY 2004 Program:

Civil society (\$185,000 FSA). USAID will continue to support regional networking amongst Central Asian NGOs.

Media and information (\$222,000 FSA). USAID will continue to support the dissemination of news and information across the region through funding of Open Asia. Regional trafficking problems may be addressed through networking events and information dissemination.

Performance and Results: FY 2002 was the first year that regional funds were available for democracy and media activities. A small amount of funds was obligated to support leadership training for women in Israel to enhance the knowledge, competence, and skills of Central Asian women. Twenty-five women from Kyrgyzstan, Kazakhstan, Tajikistan, Turkmenistan, and Uzbekistan will receive training on effective communication and organization, NGO management, leadership skills, strategic planning, and mobilization of community support. The training is geared toward NGO representatives who work on gender issues. Unfortunately, due to continuing instability in Israel, the training was postponed until recently, and the training is now just taking place. The follow-on component of the program includes a hands-on opportunity for the participants to conduct training in their own communities with the assistance of the Israeli trainers. At the close of the training exchange, the trained women should be in a position to mobilize community participation and implement small projects that address the socio-economic issues facing Central Asian women.

Regional funds also supported the production and broadcasting of Open Asia. In a region characterized by inter-ethnic conflict, Open Asia promotes improved inter-ethnic and inter-state relations, dialogue and understanding. The program is generally well-received throughout the region. Regional funds were also used to assess opportunities to promote religious tolerance in the Ferghana Valley to help guide program development.

US Financing in Thousands of Dollars

Central Asia Regional

176-0211 Democratic Culture and Institutions	FSA
Through September 30, 2001	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2002	
Obligations	312
Expenditures	8
Through September 30, 2002	
Obligations	312
Expenditures	8
Unliquidated	304
Prior Year Unobligated Funds	
Obligations	188
Planned Fiscal Year 2003 NOA	
Obligations	550
Total Planned Fiscal Year 2003	
Obligations	738
Proposed Fiscal Year 2004 NOA	
Obligations	407
Future Obligations	0
Est. Total Cost	1,457

Data Sheet

USAID Mission:	Central Asian Republics Regional
Program Title:	Conflict Prevention
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	176-0240
Status:	New
Proposed FY 2003 Obligation:	\$0
Prior Year Unobligated:	\$0
Proposed FY 2004 Obligation:	\$341,000 FSA
Year of Initial Obligation:	2004
Estimated Completion Date:	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 program. The principal implementing partners are Mercy Corps, Counterpart International, Community Habitat Finance, Aga Khan Foundation, ACDI/VOCA, and United Nations Development Program.

FY 2004 Program:

Conflict Prevention (\$341,000 FSA): USAID will continue to strengthen program activities begun in the initial communities and the communities identified for expansion in FY 2003. We will also continue to work closely with partners on issues of unemployment, human rights, and cultural awareness.

Performance and Results: Regional supplemental funding allowed USAID to initiate conflict mitigation activities in border areas into all five Central Asian republics. Through the "Peaceful Communities Initiative," communities most vulnerable to conflict are identified, and groups representative of cross-sections of the communities are formed. These groups, in turn, identify and prioritize sources of tension and work together to rectify those sources. In some cases, these sources are as simple as a broken gas or water distribution system, or a school or clinic rehabilitation in an otherwise neglected neighborhood. By the end of FY 2002, USAID's conflict mitigation program was active in over 100 communities, with approximately 250,000 beneficiaries. The average matching contribution from the communities with which the "Peace Communities Initiative" works is 31%, totaling \$81,617. By the end of FY 2002, the program had completed 13 infrastructure projects benefiting 28,500 people and 32 social projects benefiting 65,500 people. By the end of the program, more than one million people throughout Central Asia will benefit from participation in community decision-making, leading to improvements in and

ownership of community infrastructure. More importantly, the community strengthening component will build the capacity of communities to solve local conflicts on their own before they become dangerous.

US Financing in Thousands of Dollars

Central Asia Regional

176-0240 Conflict Prevention	FSA
Through September 30, 2001	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2002	
Obligations	0
Expenditures	0
Through September 30, 2002	
Obligations	0
Expenditures	0
Unliquidated	0
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2003 NOA	
Obligations	0
Total Planned Fiscal Year 2003	
Obligations	0
Proposed Fiscal Year 2004 NOA	
Obligations	341
Future Obligations	0
Est. Total Cost	341

Data Sheet

USAID Mission:	Central Asian Republics Regional
Program Title:	Health and Population
Pillar:	Global Health
Strategic Objective:	176-0320
Status:	Continuing
Proposed FY 2003 Obligation:	\$1,050,000 FSA
Prior Year Unobligated:	\$382,000 FSA
Proposed FY 2004 Obligation:	\$814,000 FSA
Year of Initial Obligation:	2001
Estimated Completion Date:	2005

Summary: USAID's quality primary health care (PHC) objective is aimed at creating a higher quality, user-friendly, more cost-effective PHC system region-wide through retraining of doctors and nurses in family medicine and implementing incentive-based provider payment systems; developing pre-service and postgraduate education programs in medical education; and controlling tuberculosis (TB) by providing in-service training to doctors and laboratory specialists in accurate diagnosis and treatment, improving the monitoring system of TB laboratories and facilities, as well as establishing modern surveillance methods.

Inputs, Outputs, Activities:

FY 2003 Program:

Increase the quality of primary health care (\$725,000 FSA). USAID will award a new contract to continue primary health care activities described above. Additionally, USAID will start a medical education program, working with selective medical schools to improve the quality of pre-service medical education. Activities include the development and revision of curricula, evidence-based clinical courses, and interactive lecture materials. Principal implementing partners are to be determined.

Control TB and other infectious diseases (\$325,000 FSA). USAID will support a regional TB advisor through World Health Organization (WHO) to provide expertise and engage in policy dialogue with Ministries of Health in support of the WHO-recommended TB DOTS (Directly Observed Treatment Short-course) strategy. Principal implementing partners are: Project Hope (prime) and WHO (prime).

FY 2004 Program:

Increase the quality of primary health care (\$570,000 FSA). The activities initiated in FY 2003 will continue.

Improve maternal and child health services (\$244,000 FSA). USAID will involve in regional activities, on a limited basis, countries that are not yet part of the state-of-the-art Maternal and Child Health/Reproductive Health activity initiated in Uzbekistan and Tajikistan.

Performance and Results: Infectious disease policy makers will share experiences, lessons learned and unresolved issues at two scheduled conferences: an international conference on "Status of DOTS Strategy Implementation in Europe and Central Asia" and a regional conference on "HIV/AIDS and TB Prevention in Central Asia: Today and Tomorrow." Central Asian epidemiologists will be better prepared to track communicable disease patterns after completing training in a two-year regional program, which is currently being designed.

HIV/AIDS prevention programs will be better focused with the completion of baseline surveys in three countries to collect behavioral information in high HIV-transmission locations. The extent of HIV infection and its geographical sources will be better understood through a study of HIV sero-prevalence patterns among high-risk groups in Tajikistan.

Women and children throughout Central Asia will benefit from improved access and quality of health care provided through a maternal and child health and reproductive health project, which has recently begun.

At the end of this program, we expect specific improvement in the programs to control infectious diseases and the delivery of family health care, particularly for mothers and children.

US Financing in Thousands of Dollars

Central Asia Regional

	CSH	FSA
176-0320 Health and Population		
Through September 30, 2001		
Obligations	500	18
Expenditures	0	18
Unliquidated	500	0
Fiscal Year 2002		
Obligations	400	2,385
Expenditures	286	159
Through September 30, 2002		
Obligations	900	2,403
Expenditures	286	177
Unliquidated	614	2,226
Prior Year Unobligated Funds		
Obligations	0	382
Planned Fiscal Year 2003 NOA		
Obligations	0	1,050
Total Planned Fiscal Year 2003		
Obligations	0	1,432
Proposed Fiscal Year 2004 NOA		
Obligations	0	814
Future Obligations	0	0
Est. Total Cost	900	4,649

Data Sheet

USAID Mission:	Central Asian Republics Regional
Program Title:	Cross-Cutting Programs
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	176-0420
Status:	Continuing
Proposed FY 2003 Obligation:	\$2,300,000 FSA
Prior Year Unobligated:	\$161,000 FSA
Proposed FY 2004 Obligation:	\$341,000 FSA
Year of Initial Obligation:	2001
Estimated Completion Date:	2005

Summary: USAID's cross-cutting program supports all strategic objectives and includes two components: 1) Conflict prevention strengthens vulnerable communities and eases local tensions through public dialogue and improvement of small scale social and physical infrastructure. 2) Program development funds cross-cutting evaluations, monitoring, designs, studies, technical assistance, and program management assistance. Regional supplemental funds were critical to the start up of conflict mitigation activities in all five Central Asian republics. Regional funding is generally used to supplement and/or start new activities, which affect more than one country. Regional funding in FY 2004 is to be reduced as country-specific funding is increased. This will result in minimal funding available to fund regional activities in conflict and program support.

Inputs, Outputs, Activities:

FY 2003 Program:

Conflict prevention (\$500,000 FSA) In FY 2003, USAID will expand its conflict prevention activities beyond the initial communities across the region and will better equalize efforts between rural and urban settings, especially in transit areas. We will work more closely with other partners to fold in issues of unemployment (particularly among urban youth), human rights, and cultural awareness. While the root causes of conflict are long-term, conflict prevention activities can mitigate the most immediate potential causes of conflict from ethnic tensions, competition over scarce resources and border restrictions to trade. ACDI/VOCA (prime), Mercy Corps (prime), Aga Khan Foundation (prime), the United Nations Development Program (prime), and the Cooperative Housing Foundation (prime) are the principal implementers.

Program development (\$200,000 FSA). Funding will provide for a wide range of support activities to the entire program. As required, funds will be used for unanticipated opportunities to advance or reinforce USAID program objectives. A major evaluation of the 10-year participant training program will be conducted. A regional gender training program for staff will increase USAID's capacity to better incorporate gender issues in programs and activities. Essential cross-cutting program personnel will also be funded.

FY 2004 Program:

Program development (\$341,000 FSA). A wide range of program and personnel support will continue. It is anticipated that funding will support various assessments to prepare for the new strategy beginning in 2005. Regional funding for FY 2004 is expected to be lower as funds are moved from regional to country accounts. This will result in minimal funding for regional activities in program support.

Performance and Results: With regional supplemental funds, USAID initiated conflict mitigation activities in border areas into all five Central Asian republics. Through the Peaceful Communities Initiative (PCI), communities most vulnerable to conflict are identified, and groups representative of cross-sections of the communities are formed. These groups, in turn, identify and prioritize sources of tension and work together to rectify those sources. In some cases, these sources are as simple as a broken gas or water

distribution system, or a school or clinic rehabilitation in an otherwise neglected neighborhood. By the end of FY 2002, USAID's conflict mitigation program was active in over 100 communities, with approximately 250,000 beneficiaries. The average matching contribution from the communities with which PCI works is 31%, totaling \$81,617. By the end of FY 2002, PCI had completed 13 infrastructure projects benefiting 28,500 people and 32 social projects benefiting 65,500 people. One Kurdish village in Kazakhstan is undertaking major new school renovations on their own, with no donor support, after having seen how easy it was to carry out the community's contribution to the school's USAID-funded heating rehabilitation. This sort of behavioral change is the best kind of success that we could hope for and is what makes this program sustainable. By the end of USAID's conflict mitigation program, which includes PCI and the Community Action Investment Project, more than one million people throughout Central Asia will benefit from participation in community decision making, leading to improvements in and ownership of community infrastructure. More importantly, the community strengthening component of this activity will build the capacity of communities to solve local conflicts on their own before they become dangerous.

Regional supplemental funds also were essential for the expansion of micro-finance activities in Tajikistan and Uzbekistan. In 2002, in a six-month period, approximately 750 loans were made and 70% of the loan recipients were women. To date, there is a 100% repayment rate.

US Financing in Thousands of Dollars

Central Asia Regional

176-0420 Cross-Cutting Programs	FSA
Through September 30, 2001	
Obligations	7,262
Expenditures	5,162
Unliquidated	2,100
Fiscal Year 2002*	
Obligations	6,839
Expenditures	1,063
Through September 30, 2002	
Obligations	14,101
Expenditures	6,225
Unliquidated	7,876
Prior Year Unobligated Funds	
Obligations	161
Planned Fiscal Year 2003 NOA	
Obligations	2,300
Total Planned Fiscal Year 2003	
Obligations	2,461
Proposed Fiscal Year 2004 NOA	
Obligations	341
Future Obligations	0
Est. Total Cost	16,903

* Fiscal Year 2002 includes \$6m of the Emergency Response Fund - FSA/NIS.