

The Challenge

USAID's key challenge in Georgia is to help consolidate the achievements of the Rose Revolution and increase the pace of economic, democratic, and social reform to the point where they are irreversible. The major impediments are political and economic constraints caused by Georgia's two breakaway republics (Abkhazia and South Ossetia), a lack of institutional capacity throughout government, rising poverty levels in rural areas, a poor investment climate resulting in lack of employment opportunity, and poor overall health indicators, particularly for women and children. In response, USAID implements a broad program of assistance to strengthen government institutions that advance key reforms, and delivers resources for a robust program of community-based activities to improve economic and social conditions.

Objectives, Sectors and Workforce

Mission Director: Denny Robertson

MCA Status: Signed Compact

PEPFAR Focus Country: No

Provided or Received Services From Other Missions: Provided

Program Budget (Appropriations by Objective)

	FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07	2005 SO Performance Score	Direct SO Admin. Cost Ratio
114-0131 Increased Economic Growth	9,600	14,000	12,200	10,167	5.9%	1.12	Exceeded
114-0151 Energy and Environment	12,448	13,400	9,140	6,800	-45.4%	1.24	Exceeded
114-0231 Good Local Governance	8,415	10,850	7,120	6,233	-25.9%	1.18	Exceeded
114-0340 Social and Health Services	10,762	13,825	8,130	9,003	-16.3%	1.07	Met
114-0410 Special Initiatives and Cross-Cutting Issues	1,100	0	0	0	N/A	N/A	N/A
114-0420 Program Support	4,168	5,571	6,780	5,579	33.9%		0.12
Transfer to Other US Government Agency	26,777	30,354	22,960	20,218	-24.5%		
PL 480 Title II not Allocated to a Strategic Objective	2,974	1,594	1,406		N/A		
Country Total	76,244	89,594	67,736	58,000	-23.9%		

Program Budget (Appropriations by Account)

	FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
Child Survival and Health Programs Fund	0	2,000	0	0	N/A
Economic Support Fund	985	0	0	0	N/A
FREEDOM Support Act	72,285	86,000	66,330	58,000	-19.8%
PL 480 Title II	2,974	1,594	1,406	0	N/A
Total	76,244	89,594	67,736	58,000	-23.9%

Program Budget by Sector and Account

	FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
Basic Education FSA	0	537	320	559	N/A
Agriculture and Environment FSA	19,289	19,752	16,233	12,603	-34.7%
Higher Education & Training FSA	2,465	4,079	3,541	3,884	57.6%
Economic Growth FSA	23,923	29,548	19,414	16,667	-30.3%
Human Rights FSA	225	206	222	220	-2.2%
Democracy and Governance FSA	18,199	22,786	18,672	16,973	-6.7%
Conflict Management / Humanitarian Assistance FSA	4,594	2,596	2,428	2,291	-50.1%
Family Planning / Reproductive Health CSH	0	2,000	0	0	N/A
ESF	985	0	0	0	N/A
FSA	529	800	497	356	-32.7%
HIV / AIDS FSA	380	1,042	1,590	1,075	182.9%
Child Survival and Maternal Health FSA	1,928	3,118	2,409	2,218	15.0%
Other Infectious Diseases FSA	753	1,536	1,004	1,154	53.3%
PL 480 Title II not Allocated to a Sector	2,974	1,594	1,406		N/A
Total	76,244	89,594	67,736	58,000	-23.9%

Workforce

	FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07
US Direct Hires	9	13	13	13	44.4%
US Non Direct Hires	9	4	3	3	-66.7%
Foreign Nationals	63	78	78	78	23.8%
Total	81	95	94	94	16.0%

Operating Expense

	FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
Salaries and benefits	1,192	1,095	896	929	-22.1%
Travel	569	522	226	166	-70.8%
Transportation of things	178	136	113	113	-36.5%

Rent	1,065	1,084	470	510	-52.1%
Security	82	88	105	134	63.4%
Equipment	271	103	45	0	N/A
ICASS - Operating Expense only	855	725	628	669	-21.8%
Other Operating Expense	539	594	462	424	-21.3%
Total OE Budget	4,751	4,347	2,945	2,945	-38.0%
US direct hire salary and benefits	1,984	1,613	1,685	1,867	-5.9%
Program Funded Administrative Expenses				2,416	
Country Total Administrative Budget				7,228	
Percent of Bureau OE Total				7.6%	

Mission Summary

	FY 2004	FY 2005	FY 2006	FY 2007
Program per US Direct Hire (\$000)	8,472	6,892	5,210	4,462
Program per All US (\$000)	4,236	5,270	4,234	3,625
Program per Position (\$000)	941	943	721	617
Operating Expense as % of Program Funding				5.1%
Program Funded Admin Expense as % of Total Admin				33.4%
Total Admin Expense as % of Program Funding				12.5%

Other Major Donors:

Bilateral: Germany

Multilateral: European Bank for Reconstruction and Development, World Bank, European Union, World Food Program, United Nations Children's Fund, United Nations Development Program.

Georgia PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2004 Actual	FY 2005 Actual	FY 2006 Current	FY 2007 Request
Child Survival and Health Programs Fund	0	2,000	0	0
Economic Support Fund	985	0	0	0
FREEDOM Support Act	72,285	86,000	66,330	58,000
PL 480 Title II	2,974	1,594	0	0
Total Program Funds	76,244	89,594	66,330	58,000

STRATEGIC OBJECTIVE SUMMARY				
114-0131 Increased Economic Growth				
FSA	9,600	14,000	12,200	10,167
114-0151 Energy and Environment				
FSA	12,448	13,400	9,140	6,800
114-0231 Good Local Governance				
FSA	8,415	10,850	7,120	6,233
114-0340 Social and Health Services				
CSH	0	2,000	0	0
ESF	985	0	0	0
FSA	9,777	11,825	8,130	9,003
114-0410 Special Initiatives and Cross-Cutting Issues				
FSA	1,100	0	0	0
114-0420 Program Support				
FSA	4,168	5,571	6,780	5,579
TRANSFER				
FSA	26,777	30,354	22,960	20,218

Mission Director,
Denny Robertson

Data Sheet

USAID Mission:	Georgia
Program Title:	Increased Economic Growth
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	114-0131
Status:	Continuing
Planned FY 2006 Obligation:	\$12,200,000 FSA
Prior Year Unobligated:	\$715,000 FSA
Proposed FY 2007 Obligation:	\$10,167,000 FSA
Year of Initial Obligation:	2005
Estimated Year of Final Obligation:	2008

Summary: Activities under this objective aim to accelerate development and growth of the private sector. Assistance is also provided to increase the competitiveness of Georgian exports, and stimulate foreign and domestic investment. Expanding credit and capital access for small- and medium-size enterprises (SMEs), in particular, and for the private sector more generally, is a principal target of USAID assistance. All of the targets for FY 2005 were achieved. These include, but are not limited to, enterprise growth, job-creation, and growth in per capita gross domestic product (GDP). The Government of Georgia's (GoG) credit rating improved, the hurdles to enter business were significantly reduced, and tax revenue as a percent of GDP increased.

Inputs, Outputs, Activities:

FY 2006 Program:

Expand and Improve Access to Economic and Social Infrastructure (\$316,455 FSA carryover). USAID will support the state-owned railway in the implementation of its restructuring strategy, designed to move the company towards commercially-oriented, economically efficient railway operations. Principal contractors and grantees: Booz Allen Hamilton.

Improve Economic Policy and the Business Environment (\$3,760,000 FSA; \$80,600 FSA prior year recoveries). USAID will work with the GoG to enact market-oriented economic policies; facilitate public-private dialogue; introduce an improved legislative framework for business; improve revenue administration through the Ministry of Finance to sustain high levels; prepare and implement a national food and agriculture strategy; and support implementation of food safety legislation. Prime partners: Chemonics International; ACIDI/VOCA.

Improve Private Sector Competitiveness (\$1,660,000 FSA). USAID will support SMEs with strengthened commercial and financial infrastructure, effective private sector advocacy, and improved business skills. Fifteen business associations will be strengthened to provide SMEs with business-related services; and five associations will develop self-certification programs for processes and products. Youth and minorities will develop income-generating business skills. Principal contractors and grantees: International Executive Service Corps (IESC).

Increase Agricultural Sector Productivity (\$3,260,000 FSA). USAID will continue to assist with the productivity and marketability of Georgian products. Other efforts include: successful market chains to generate over \$5 million in export sales in FY 2006; eight consolidation centers to improve marketing; and seven companies to establish internationally required Hazard Analysis and Critical Control Point (HACCP) and/or International Organization for Standardization (ISO) quality management systems. Principal contractors and grantees: ACIDI/VOCA and IESC.

Protect and Increase the Assets and Livelihoods of the Poor (\$2,200,000 FSA) Income/employment generation needs will be met by assisting communities to protect and enhance productive assets, reestablish livelihoods and diversify assets and sources of income. Principal contractors and grantees: CHF (Community, Habitat, and Finance) International.

Strengthen the Financial Services Sector and Increase Access to Capital (\$1,320,000 FSA, \$317,913 FSA carryover). Under a new phase of land privatization, USAID will work with the GoG to privatize all state-owned arable land (total of 889,580 acres) into large, economically viable parcels, promote the development of real estate markets, and increase access to credit through the use of land as collateral. USAID anticipates using the Development Credit Authority (DCA) to mobilize at least \$6 million in credit for micro-, small-, and medium-enterprises. Financial institutions will be provided training in credit risk management and commercial finance. Principal contractors and grantees: Association for the Protection of Landowners Rights (APLR); IESC.

FY 2007 Program:

Improve Economic Policy and the Business Environment (\$2,500,000 FSA). Assistance will continue to be provided to targeted economic governance ministries. Establishment of one-stop shops will be supported to offer a broad array of business-related services at centralized locations. To increase efficiency and transparency in tax administration, assistance will be provided to develop fully-automated online tax filing systems. Principal contractors and grantees: Chemonics International.

Improve Private Sector Competitiveness (\$2,000,000). Assistance will continue to be provided to business associations to implement self-certification programs and develop advocacy skills; and for entrepreneurship training programs. Institutional grants will increase the competitiveness of more than 50 Georgian SMEs. Principal contractors and grantees: IESC.

Increase Agricultural Sector Productivity (\$2,500,000 FSA). USAID will further develop distribution channels, markets, and the competitiveness of Georgian products while generating sales, investments, and jobs. Agricultural policy reform will also be supported. Principal contractor: ACIDI/VOCA.

Protect and Increase the Assets and Livelihoods of the Poor (\$2,000,000 FSA). Communities will continue to receive assistance targeted at income generation and job creation through initiation of approximately 280 multi- and single investment projects. It is projected that these investments will create at least 1,000 jobs. Principal grantee: CHF International.

Strengthen the Financial Services Sector and Increase Access to Capital (\$1,167,000 FSA). USAID expects to support the creation of SME lending committees within an association of Georgian banks to provide extensive consultations to lenders and potential borrowers. DCA guarantees may be offered to commercial banks to expand credit to SMEs operating in rural areas. Privatization of agricultural land will be completed. Principal contractors and grantees: IESC; APLR.

Performance and Results: USAID has helped achieve results in several key areas, including an improved policy and operating environment, increased access to financial services, and increased market-driven sales. Advisory assistance to the Ministry of Finance resulted in a 53% increase in tax revenues between 2003 and 2004. During 2005, the new licensing law cut from 909 to 159 the number of activities subject to licensing, significantly reducing the hurdles to doing business. Laws were enacted the same year dealing with protection of the parties in credit transactions, legalization of microfinance lending practices to micro-enterprises, and privatization of state-owned agricultural land. In addition, Georgia's first-ever credit information bureau was created, and microfinance and rural credit institutions growth in loan portfolios resulted in a 46% increase in access to credit to micro-enterprises. USAID also contributed to increased market-oriented sales through the introduction of five new agricultural product lines and nine new technologies. Furthermore, 18 agribusiness associations with over 1,800 members were organized, generating a total of \$6,976,861 in facilitated export sales. By 2012, this objective will have significantly contributed to sustaining Georgia's economic growth through a reduction in administrative barriers to doing business, increased trade through conformity with international standards and development of value-added agricultural products, expanded credit and access to financial services, and improved business skills. It is anticipated that these efforts will assist Georgia to increase GDP to at least 70% of 1989 levels, raise the value of exports and services to over 40% of GDP, maintain levels of foreign direct investment above \$200 million/year after privatization related investments start declining starting in 2007, triple the amount of lending to SMEs, and establish sustainable institutions for the provision of critical business skills such as accounting and information technology.

US Financing in Thousands of Dollars

Georgia

114-0131 Increased Economic Growth	FSA
Through September 30, 2004	
Obligations	8,660
Expenditures	385
Unliquidated	8,275
Fiscal Year 2005	
Obligations	14,000
Expenditures	0
Through September 30, 2005	
Obligations	22,660
Expenditures	385
Unliquidated	22,275
Prior Year Unobligated Funds	
Obligations	715
Planned Fiscal Year 2006 NOA	
Obligations	12,200
Total Planned Fiscal Year 2006	
Obligations	12,915
Proposed Fiscal Year 2007 NOA	
Obligations	10,167
Future Obligations	0
Est. Total Cost	45,742

Data Sheet

USAID Mission:	Georgia
Program Title:	Energy and Environment
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	114-0151
Status:	Continuing
Planned FY 2006 Obligation:	\$9,140,000 FSA
Prior Year Unobligated:	\$364,000 FSA
Proposed FY 2007 Obligation:	\$6,800,000 FSA
Year of Initial Obligation:	2003
Estimated Year of Final Obligation:	2008

Summary: Activities under this objective strengthen and develop private sector-led energy production, supply, distribution, and finance systems in Georgia. Concurrently, they support the Government of Georgia (GoG) in the sector's commercialization; formulation, and implementation of market-friendly policies; and establishment of a comprehensive, cohesive legal and regulatory framework. USAID efforts promote energy security by improving access to energy. Working with communities and the Ministry of Energy (MOE), USAID has helped increase the reliability and availability of supplies. Activities focus on: improving government strategic planning and capacity to guide the sector; commercializing the operations of a state-owned distribution utility; and, rehabilitating rural energy infrastructure.

Inputs, Outputs, Activities:

FY 2006 Program:

Expand and Improve Access to Economic and Social Infrastructure (\$5,550,000 FSA, \$150,000 FSA carryover). USAID will provide technical assistance and training to the GoG to improve the supply and distribution of energy resources. The commercialization of defunct energy assets will improve the sector's financial state, thereby promoting and ensuring greater energy sector viability. This component covers two ongoing activities: a USAID-funded, electricity distribution company management contract; and, rural energy systems rehabilitation. By improving the technical and financial operations of these state-owned energy assets and advising the GoG on approaches to privatization, USAID will assist the GoG to achieve one of the principal aims of its energy sector reform, direct strategic investment through asset privatization. Through its management contract with the GoG, USAID will continue efforts to improve the commercial performance of the state-owned United Energy Distribution Company (UEDC), thereby rendering it more efficient, more profitable, and more attractive to investors. With USAID help, the utility's collections rate will increase to over 70% on an annual basis. This will be achieved through the continued extension of a modern billing and collections system, and GoG- and German loan-funded metering of over 180,000 users of power in 15 cities. Efforts to stimulate economic vitality in 10 rural communities will be underpinned by energy infrastructure rehabilitation or access to new energy services. The community-based and private owner-operators of these rural energy systems will be trained to efficiently manage and obtain profits from their operations through USAID provision of technical assistance. Principal contractors and grantees: PA Government Services, Inc.; Winrock Int'l, CORE Int'l.

Improve Sustainable Management of Natural Resources and Biodiversity (\$1,240,000 FSA). USAID supports community-level energy and environmental planning to assist in the design, implementation, and monitoring of energy systems. These systems promote environmental stewardship and sustainable natural resource management. Previously successful USAID pilot efforts linked sustainable natural resource management with the restoration of small-scale hydropower systems and, the development of alternative and renewable energy systems. This same approach will be incorporated into resource management plans for 10 rural communities. To promote regional water coordination among Georgia, Armenia, and Azerbaijan, USAID will help to address critical regional water coordination issues such as water quality. The aim is to promote regional coordination and stability. Training and assessment assistance will be provided to the Georgian Ministry of Environment to improve its management capacity. Principal contractors and grantees: PA Consulting, Winrock International, U.S. Department of Interior.

Strengthen Public Sector Executive Function (\$2,350,000 FSA, \$213,523 FSA carryover). To carry out the various energy sector reforms facing the GoG and to help manage the colossal investment underway in the energy sector, USAID will expand its technical assistance to the MOE and Ministry of Economic Development. These efforts will help the GoG to attain the ambitious goals established in the USAID-assisted GoG Energy Strategic Action Plan, now under implementation. Alongside its primary continuing effort to assist the GoG to achieve a stable and secure energy future, an equally important new tenet of USAID assistance will be to help establish the basis for critical, strategic investments and plans to support regional energy trading. In particular, aid on policy, and human and institutional development, planning, privatization, investment potential, public relations, and legal and regulatory issues will be extended to the GoG. Principal contractors and grantees: CORE Int'l; To be determined (TBD).

FY 2007 Program:

Expand and Improve Access to Economic and Social Infrastructure (\$2,350,000 FSA). USAID will provide TA and training to expand rural energy access to an additional 15 communities. Efforts will help community-based or private organizations to acquire energy systems, and develop and implement business operation and maintenance plans to improve rural access to energy and achieve greater economic growth. Principal contractors and grantees: Winrock International.

Improve Sustainable Management of Natural Resources and Biodiversity (\$1,350,000 FSA). Resource planning efforts in the 25 communities impacted by the USAID-assisted rural energy activity will continue to promote sustainable rural energy production in concert with watershed conservation, reforestation, and fuel wood substitution to reduce pressure on forests. USAID will continue to promote regional water coordination among the three South Caucasus countries through its Regional Water Management initiative. Principal contractors and grantees: Winrock International; PA Consulting.

Strengthen Public Sector Executive Function (\$3,100,000 FSA). USAID plans to continue to target advisory support/training to the GoG in strategic electricity, gas, and fuel planning. Efforts will inculcate gains made to date, thereby ensuring the long-term sector viability of utility reform. Assistance will focus on energy policy and institutional reform, regional energy planning and trading, legal and regulatory issues, and public awareness. Principal contractors and grantees: TBD.

Performance and Results: An extraordinarily high level of GoG support for USAID efforts was clearly evidenced during FY 2005. Because of this, most of Georgia is experiencing greater access than ever to power. For the first time in decades, energy access may continue throughout the winter. The USAID-managed electricity utility's annual collections' rate rose from 29% in FY 2004 to a projected 54% in FY 2005, principally through a USAID-developed, government-financed communal metering program that increased collections far more than anticipated. Anti-corruption efforts resulted in 115 employee punishments and 580 cases referred to the judiciary for electricity theft. As a result, the utility is authorized to collect approximately \$475,000 from the offenders. This represents 100% of the value of the power stolen. Management improvements in the utility reduced redundancy and increased efficiency of operations through modernization of billing and collections systems. Increased control over purchased power, in conjunction with retail billing and metering efforts, reduced consumption system-wide by 5% in FY 2005. The USAID-assisted Strategic Action Plan of the GoG sets forth funding and management of over \$600 million in donor and GoG resources to be expended through 2008. Energy projects undertaken in three rural villages will provide much needed access to energy, helping these villages better weather winter. The principal legacy of USAID support is that, upon completion of this objective, the Ministry will be capable of effectively guiding sector reform, harmonizing its policy with regional partners to facilitate mutually supportive trade, and encouraging investment in energy infrastructure. Rural energy reliability will be fostered through the improvement and distribution of local energy supplies, serving thousands of households with clean, reliable energy that will fuel rural economic growth and improve quality of life. Select end-state results include, among others: 1) a comprehensive energy sector strategy that guides Georgia toward energy independence and which strategically positions Georgia as an energy transit corridor; 2) An energy system that bills and collects 100% of revenues due; and 3) 15 megawatts of new power supports increased economic activity in at least 40 underserved communities.

US Financing in Thousands of Dollars

Georgia

114-0151 Energy and Environment	DCA	FSA
Through September 30, 2004		
Obligations	296	8,739
Expenditures	0	2,266
Unliquidated	296	6,473
Fiscal Year 2005		
Obligations	0	13,400
Expenditures	0	0
Through September 30, 2005		
Obligations	296	22,139
Expenditures	0	2,266
Unliquidated	296	19,873
Prior Year Unobligated Funds		
Obligations	0	364
Planned Fiscal Year 2006 NOA		
Obligations	0	9,140
Total Planned Fiscal Year 2006		
Obligations	0	9,504
Proposed Fiscal Year 2007 NOA		
Obligations	0	6,800
Future Obligations	0	0
Est. Total Cost	296	38,443

Data Sheet

USAID Mission:	Georgia
Program Title:	Good Local Governance
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	114-0231
Status:	Continuing
Planned FY 2006 Obligation:	\$7,120,000 FSA
Prior Year Unobligated:	\$4,566,000 FSA
Proposed FY 2007 Obligation:	\$6,233,000 FSA
Year of Initial Obligation:	2004
Estimated Year of Final Obligation:	2008

Summary: The Rose Revolution of November 2003 placed Georgia at the forefront of democratic reform in the Eurasia region. In order to sustain momentum and assure the long term viability of Georgia's democratic transition, USAID is providing support to improve public sector transparency and accountability at both the national and local levels; advance the rule of law; ensure broad public participation in political life; and, promote national integration and peace building.

Inputs, Outputs, Activities:

FY 2006 Program:

Mitigate Conflict and Support Peace (\$470,000 FSA, \$500,000 FSA carryover). An increased sense of national unity with a focus on isolated areas will be promoted, as will human rights. Efforts will include, inter alia, a national strategy and action plan to promote integration and tolerance. For Abkhazia and South Ossetia, democracy, confidence and peace building efforts will be supported, including support to civil society and independent media. Principal contractors and grantees: To be determined.

Reduce Trafficking In Persons (TIP) (\$250,000 FSA). Support will help implement the GoG Anti-Trafficking Action Plan, and an anti-trafficking law to improve victims' protection. TIP awareness will be enhanced through the media and non-governmental organizations will be mobilized to fight human trafficking. Principal contractors and grantees: Georgian Young Lawyers Association.

Strengthen Democratic Political Parties (\$700,000 FSA). USAID will continue its key role in conducting political party strengthening, and support youth and women's programs to encourage greater political participation. Support will be provided for country-wide polling to help political parties respond to needs of constituents, get-out-the-vote campaigns and voter education. Principal contractors and grantees: International Republican Institute.

Strengthen Public Sector Executive Function (\$3,600,000 FSA carryover). To increase the executive branch's efficiency, effectiveness, and accountability, USAID will respond to specific GoG requests for assistance to help with targeted reforms, improve inter-ministerial coordination, and enhance effectiveness of a civil service bureau as well as the Adjara government. Incentives will encourage increased collaboration among think tanks, civil society organizations, and public institutions in policy analysis. Working with the Ministry of Justice (MOJ), USAID will support the second phase of civil registry reform. Assistance will be provided to the Ministry of Education and Science to introduce international graduate admission standards. Principal contractors and grantees: Organization for Security and Cooperation in Europe (OSCE), American Councils for International Education (ACCELS), TBD.

Strengthen the Justice Sector (\$1,950,000 FSA). Rule of law efforts will focus on the judiciary to increase independence. USAID will also assist the Georgian Supreme Court and assist the MOJ to reform the procedures on the enforcement of civil judgments. Assistance will be provided for the organizational development of a new bar association. USAID will support legal education reform. Principal contractors and grantees: American Bar Association/Central European and Eurasian Law Initiative (ABA/CEELI), TBD.

Strengthen the Legislative Function/Legal Framework (\$900,000 FSA, \$466,289 FSA carryover). Assistance to the parliament will focus on key policy issues, strengthened committee operations to allow for broad public input and oversight and outreach capacity to promote executive branch accountability. Women's participation in politics, both within and outside parliament will be promoted. Principal contractors and grantees: National Democratic Institute (NDI).

Support Democratic Local Government and Decentralization (\$2,850,000 FSA, \$466,289 FSA carryover). Assistance will continue to promote the reform of decentralization legislation. The 20 largest municipalities will be supported in the implementation of newly adopted laws. Capacity building will be provided to a national association of local officials. Principal contractors and grantees: Urban Institute.

FY 2007 Program:

Mitigate Conflict and Support Peace (\$433,000 FSA). Tolerance and understanding will be promoted. Support will target peace building for "frozen" conflicts. Principal contractors and grantees: TBD.

Reduce Trafficking In Persons (\$200,000 FSA). USAID will build public awareness and seek passage of an anti-trafficking law. Principal contractors or grantees: Georgian Young Lawyers Association.

Strengthen Democratic Political Parties (\$600,000 FSA). Assistance will continue for political party development and involvement of youth and women. Principal contractors and grantees: TBD.

Strengthen Public Sector Executive Function (\$2,000,000 FSA). Help will continue to promote accountable and good governance, and reduce opportunities for corruption as the result of capacity building and reforms of key GoG units. Principal contractors and grantees: OSCE, TBD.

Strengthen the Justice Sector (\$1,100,000 FSA). Judicial independence and improvement of judges' and lawyers' professionalism will be aided. Principal contractors and grantees: TBD.

Strengthen the Legislative Function/Legal Framework (\$600,000 FSA). Assistance will be provided to Parliament to improve the legislative process and executive oversight. Principal contractors and grantees: TBD.

Support Democratic Local Government and Decentralization (\$1,300,000 FSA). Local government efforts will expand in 30 Georgian municipalities. The focus will be on capacity building for newly elected local officials. Principal contractors and grantees: Urban Institute.

Performance and Results: USAID assisted the president's and prime minister's offices to streamline procedures and prepare an institutional development plan. In parliament, USAID focused on strengthened operations and oversight, enhanced transparency of procedures, and improved women's leadership and outreach skills. USAID worked with GoG and local government officials to promote decentralization legislation. Six draft laws were prepared to increase autonomy in local decision-making. Key Georgian stakeholders were helped to develop the conceptual framework for judicial reform, with follow-up assistance for the administration of a revamped judicial qualification examination. In civil society and media, USAID enlarged the advertisement market for the independent media, provided management training and business support, built industry associations' capacities, and strengthened journalism education. Successful implementation of this objective will result in the consolidation of Georgia's democratic reforms. Public sector accountability will be strengthened through human capacity development, anti-corruption efforts (e.g. civil registration, procurement, local government and budget reform), and enhanced, efficient and transparent public service provision. The ability of state institutions to formulate and implement policy will be enhanced. Citizens' rights will be protected by more qualified and independent court officials as a result of administration reform, improved legal education and support for professional association, and citizens' trust in state institutions, in general, will be increased. Constructive political contests will be the norm, and the goal of national integration advanced through development and implementation of a national strategy for integration and tolerance.

US Financing in Thousands of Dollars

Georgia

114-0231 Good Local Governance	FSA
Through September 30, 2004	
Obligations	9,178
Expenditures	959
Unliquidated	8,219
Fiscal Year 2005	
Obligations	10,850
Expenditures	0
Through September 30, 2005	
Obligations	20,028
Expenditures	959
Unliquidated	19,069
Prior Year Unobligated Funds	
Obligations	4,566
Planned Fiscal Year 2006 NOA	
Obligations	7,120
Total Planned Fiscal Year 2006	
Obligations	11,686
Proposed Fiscal Year 2007 NOA	
Obligations	6,233
Future Obligations	0
Est. Total Cost	37,947

Data Sheet

USAID Mission:	Georgia
Program Title:	Social and Health Services
Pillar:	Global Health
Strategic Objective:	114-0340
Status:	Continuing
Planned FY 2006 Obligation:	\$8,130,000 FSA
Prior Year Unobligated:	\$2,000,000 CSH; \$372,000 FSA
Proposed FY 2007 Obligation:	\$9,003,000 FSA
Year of Initial Obligation:	2004
Estimated Year of Final Obligation:	2008

Summary: Activities under this objective support major health and education sector reforms, target youth, and improve the poor's access to productive assets and jobs.

Inputs, Outputs, Activities:

FY 2006 Program:

Achieve Equitable Access to Quality Basic Education (\$2,630,000 FSA). Efforts focus on the Ministry of Education and Science's (MES) education reforms. Assistance targets youth through extra-curricular activities linked to MES priorities. Youth will build relations with peers from other regions including Abkhazia. With USAID-provided technical assistance on decentralization and accreditation, secondary school enrollment will increase, and general and higher education will be more effective and relevant. Principal contractors and grantees: Academy for Educational Development (AED), Catholic Relief Services (CRS).

Expand and Improve Access to Economic and Social Infrastructure (\$1,950,000 FSA, \$2,000,000 CSH carryover). USAID will improve the GoG's health care financing system, support reproductive health and family planning (RH/FP) policy development, strengthen national level health institutions, and encourage a national policy on National Health Accounts (NHA). Health partnerships will continue to develop model primary health care systems in two regions. Principal contractors and grantees: Abt Associates, American International Health Alliance (AIHA).

Improve Maternal Health and Nutrition (\$1,000,000 FSA). USAID will improve women's health by upgrading clinical skills and medical knowledge of doctors and nurses, specifically in antenatal care, safe delivery, and RH/FP. For the first time, primary care doctors and nurses will provide FP and counseling services. USAID and GoG will support free contraceptive distribution to the most vulnerable women at 44 locations. About 90,000 women will benefit from access to quality FP services and supplies. Principal contractors and grantees: John Snow Incorporated.

Prevent and Control Infectious Diseases of Major Importance (\$1,050,000 FSA, \$372,275 FSA carryover). Technical assistance, vaccines, and disposable syringes will support the national immunization program, and its health information management and Vaccine Preventable Disease (VPD) surveillance systems. The Directly Observed Therapy Short-Course (DOTS) tuberculosis program in Tbilisi and Poti, with the highest number of cases, will begin. Principal contractors and grantees: Medical Service Corporation International, Abt Associates, and UN Children's Fund (UNICEF).

Reduce Transmission and Impact of HIV/AIDS (\$1,500,000 FSA). The growing threat of a HIV/AIDS epidemic triggered the decision by USAID to expand efforts beyond Tbilisi and Batumi to two additional areas, including the breakaway region of Abkhazia. In FY 2006, 7,000 individuals will benefit from access to information and voluntary counseling and testing (VCT) for HIV, and sexually transmitted infection (STI) testing and treatment services through clinics serving high-risk groups. Principal contractors and grantees: Save the Children.

FY 2007 Program:

Achieve Equitable Access to Quality Basic Education (\$4,200,000 FSA). Support for Georgia's educational reforms will continue. Activities will expand to South Ossetia. Prime contractors and grantees: Academy for Education Development (AED).

Expand and Improve Access to Economic and Social Infrastructure (\$1,400,000 FSA). USAID will integrate within broader health system reforms strategies to improve RH/FP services, and rationalize secondary health care by expanding community-based health financing schemes, and identifying and strengthening public-private health partnerships. Principal contractors and grantees: Abt Associates.

Improve Maternal Health and Nutrition (\$1,100,000 FSA). USAID will expand to 12 new districts to provide quality FP services and counseling, develop evidence-based safe delivery and family-friendly maternity hospitals, strengthen social marketing of contraceptives, and build public-private partnerships and a GoG contraceptive distribution and logistics system. Principal contractors and grantees: John Snow Incorporated.

Prevent and Control Infectious Diseases of Major Importance (\$1,203,000 FSA). TB efforts will expand to Adjara, and begin work on multi-drug resistant TB. Support will continue for sustained immunization coverage and further health information system development. Principal contractors and grantees: Medical Service Corporation International (MSCI), UNICEF, Abt Associates.

Reduce Transmission and Impact of HIV/AIDS (\$1,100,000 FSA). The HIV/AIDS program will expand and diversify to other vulnerable regions and locations beyond the Global Fund to Fight AIDS, Tuberculosis, and Malaria initiative's framework. Principal contractors and grantees: Save the Children.

Performance and Results: A total of 12,668 people from high-risk groups benefited from STI/HIV prevention and VCT services. Programs resulted in an increase in Tbilisi's TB treatment success rate from 60% to 71%. Case detection rate rose from 44% to 66% from 2004 to 2005. USAID also supported the Ministry of Health as it produced its first set of NHA. Thus, the Ministry was able to provide analyses to justify a 20% plus health budget increase in the 2006. The immunization coverage rate remained at about 81%, and GoG co-financing for traditional vaccines doubled to 40% from 2002 to 2005. Surveillance systems for immunization and vaccine preventable diseases became mandatory nationwide. Of a total of 1,500 health participants, 75% were female. Some 193 communities mobilized. Two hundred thirty community initiatives finished and benefited over 191,000 people with improved infrastructure and services. A total of 1,941 leaders were trained from 192 communities. Five hundred thirty one 531 jobs were created, and 126 businesses received support services. Summer camps hosted 418 children to learn, teaching methods of tolerance.

The capacity of Georgian health sector institutions will be strengthened enabling them to take a leadership role in policy development and analysis, management, health economics and planning in order to implement the reform process. Strengthened Health Information Systems will better inform policy-makers and facility managers on health status and trends. Health support systems will be institutionalized and capable of effectively providing services at the national and local levels. Health care providers will be adequately trained, routinely utilize evidence-based clinical protocols, be capable of providing important health information to guide citizens in making informed health choices, and have improved access to clinical equipment, physical facilities and essential drugs. A less than 5% HIV/AIDS prevalence rate will be achieved and sustained. The TB treatment success rate will reach 85%. The induced abortion rate will decrease from 3.7 to 2 per woman.

In education, 70% of the higher education institutions will comply with the internationally recognized standards established under the Bologna Process, in particular requirements regarding institutional accreditation and qualification for state funds. At least 70% of all secondary schools will be effectively supported by Education Resource Centers, particularly in the area of teacher training.

US Financing in Thousands of Dollars

Georgia

114-0340 Social and Health Services	CSH	ESF	FSA
Through September 30, 2004			
Obligations	3,000	0	12,240
Expenditures	0	0	1,808
Unliquidated	3,000	0	10,432
Fiscal Year 2005			
Obligations	500	985	11,825
Expenditures	2,968	11	0
Through September 30, 2005			
Obligations	3,500	985	24,065
Expenditures	2,968	11	1,808
Unliquidated	532	974	22,257
Prior Year Unobligated Funds			
Obligations	2,000	0	372
Planned Fiscal Year 2006 NOA			
Obligations	0	0	8,130
Total Planned Fiscal Year 2006			
Obligations	2,000	0	8,502
Proposed Fiscal Year 2007 NOA			
Obligations	0	0	9,003
Future Obligations	0	0	0
Est. Total Cost	5,500	985	41,570

Data Sheet

USAID Mission:	Georgia
Program Title:	Program Support
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	114-0420
Status:	Continuing
Planned FY 2006 Obligation:	\$6,780,000 FSA
Prior Year Unobligated:	\$1,328,000 FSA
Proposed FY 2007 Obligation:	\$5,579,000 FSA
Year of Initial Obligation:	2004
Estimated Year of Final Obligation:	2008

Summary: Activities contribute to the achievement of the overall U.S. mission and USAID goals and objectives. Efforts include short- and long-term training targeting Georgians in the public, private, and civil society sectors. The priority, however, is to enhance the human and institutional capabilities of the Government of Georgia (GoG) as it continues its ambitious reform agenda. Another activity is a grass-roots exchange program to build stronger ties between Americans and Georgians. Small grants programs not only help build these links, but also support non-governmental organizations (NGOs) and targeted government agencies to better deal with the issues affecting local communities. Grant support for regional cooperation aims to build and expand links between NGOs and professional associations to deal with cross-border problems. This objective also underpins the overall USAID program through the provision of program-related short- and long-term personnel, assessments and evaluations, and administrative and logistics support.

Inputs, Outputs, Activities:

FY 2006 Program:

Program Support (\$3,010,000 FSA, \$979,502 FSA carryover; \$348,292 FSA prior year recoveries). Through U.S. local community organizations, Georgian entrepreneurs and professionals will be hosted and receive three- to five-week training programs tailored to their professional and business interests. In FY 2006, seven business and professional groups totaling approximately 70 participants will visit the United States in this grass-roots exchange program. Priority themes will be selected in coordination with the U.S. Embassy and tailored to support business and professional development. Themes include, but are not limited to, support to small- and medium-sized businesses, NGO strengthening, and development of the arts and crafts industry. Principal contractors and grantees: World Learning (prime) and Project Harmony (sub). This component also includes USAID program support staff salaries, benefits and training; assessments, evaluations and audits; and administrative expenses, such as office rent, utilities, and maintenance.

Strengthen Civil Society (\$2,270,000 FSA). The Eurasia Foundation (EF) will continue activities that will include, for example, public monitoring of tax code implementation, public and private measures to fight corruption, media oversight of the government, and enhancement of public-private dialogue of issues of national significance. Emphasis will be placed on the integration of youth into the country's social, economic, and political structures. Support to civil service and governmental reforms will target specific ministries, e.g., Justice, Education, Health, expected to have the largest impact. Grants will also be awarded to public policy institutions and NGOs to help target assistance to ethnic minorities in Kvemo Kartli and Samtskhe-Javakheti. The South Caucasus Cooperation Program (SCCP) will continue to build bonds and expand contacts among professional associations and NGOs in Georgia, Azerbaijan, and Armenia. To increase public participation in policy formulation and implementation, SCCP will convene regional fora to address topics such as reform of media legislation and higher education, and simplification of business start-up procedures. In addition, SCCP will award grants to increase civil society participation in cross-border water resource management and policy development. Principal contractors and grantees: Eurasia Foundation.

USAID will also extend the impact of the Peace Corps' presence through small grants, overseen by volunteers, which will assist local communities and organizations. The focus is on low-cost, grassroots sustainable development efforts, including the protection of human health and the environment, and the integration of women into the economic and social development of their communities. Principal agency: Peace Corps.

Strengthen Public Sector Executive Function (\$1,500,000 FSA). The participant training program contributes to the human capacity and institutional development needed to continue progress on a range of major GoG reforms. Private sector and various civil society participants will also be supported where self-financing is not possible and the training results are expected to have a favorable impact on development. USAID will ensure that training is applied in the workplace through the facilitation of in-country, post-training events. Returned participants will be encouraged to multiply the training results by sharing experiences with co-workers and others. USAID will implement training where there are critical skill and knowledge deficiencies or performance gaps among local partners. Principal contractors and grantees: World Learning.

FY 2007 Program:

Program Support (\$2,088,000 FSA). Through local community host organizations in the United States, Georgians from all levels of society will continue to be provided multi-week training programs. Principal contractors and grantees: Academy for Educational Development (prime) and Project Harmony (sub). USAID also will provide needed evaluative, personnel, logistical, and administrative support for the program.

Strengthen Civil Society (\$1,991,000 FSA). USAID will continue support for EF's in-country and regional programs. These principally support local communities and NGOs. Each annual operating plan will be based on past performance and progress. USAID will consider support to a Georgian NGO to subsume EF's responsibilities upon its eventual phase-out. Such support, if approved, will be provided under another program. In addition, USAID will continue small grant support to Peace Corps' volunteers in local communities. These will support low-cost, small-scale efforts to favorably impact on, inter alia, economic and agricultural development, the protection of human health and the environment, and an enhanced societal and economic role for women. Principal contractors and grantees: Eurasia Foundation and Peace Corps.

Strengthen Public Sector Executive Function (\$1,500,000 FSA). To assist with further human capacity and institutional development efforts to advance the GoG's reform agenda, USAID will continue to provide for targeted short- and long-term training.

Performance and Results: The participant training program developed and strengthened skills through targeted short- and long-term training. A total of 51 programs (including 19 in-country, 15 U.S.-based, and 17 in third-countries) were carried out in FY 2005. Nine hundred eighty-nine Georgians from civil society, the private sector, and the GoG were trained in areas such as democracy and governance, the environment, and health. An annual action plan was developed and included extending the results by encouraging returnees to teach the skills learned to co-workers. Women accounted for 49% of the trainees. USAID subsumed responsibility for the Community Connections program in late FY 2005 and it will continue to help develop and strengthen the bonds between U.S. and Georgian people. Support was also continued for EF and its SCCP. For FY 2005, highlights resulting from 33 EF grant awards included support for public administration reform, enhanced independence for independent media outlets, and aid to a NGO anti-corruption watchdog initiative. Notable among the SCCP grants were: Crossroads, a weekly television news program broadcast in Georgia, Azerbaijan, and Armenia; and, a project to protect regional water systems. Under its small grants support with the Peace Corps, USAID aided efforts such as the case of a volunteer who, working with NGO counterparts, designed camps at which 60 youth gained greater confidence and developed leadership and team building skills.

US Financing in Thousands of Dollars

Georgia

	ESF	FSA
114-0420 Program Support		
Through September 30, 2004		
Obligations	229	36,053
Expenditures	229	29,810
Unliquidated	0	6,243
Fiscal Year 2005		
Obligations	0	5,575
Expenditures	0	0
Through September 30, 2005		
Obligations	229	41,628
Expenditures	229	29,810
Unliquidated	0	11,818
Prior Year Unobligated Funds		
Obligations	0	1,328
Planned Fiscal Year 2006 NOA		
Obligations	0	6,780
Total Planned Fiscal Year 2006		
Obligations	0	8,108
Proposed Fiscal Year 2007 NOA		
Obligations	0	5,579
Future Obligations	0	0
Est. Total Cost	229	55,315