

Poland

Capital: Warsaw
Language: Polish
Religions: Roman Catholic, Eastern Orthodox, Protestant, and other
Population: 39 million (2002)
Population Below National Poverty Level: 18% (2001)
GDP (current U.S.\$): \$176,625 million
GDP Per Capita (current U.S.\$): \$4,562 (2001)
GDP Per Capita (purchasing power parity): \$8,800
President: Aleksander Kwasniewski
Prime Minister: Leszek Miller
Ambassador to the U.S.: Przemyslaw Grudzinski

Hungary

Capital: Budapest
Languages: Hungarian 98%, other 2%
Religions: Roman Catholic, Calvinist, Lutheran, Jewish and others
Population: 10.1 million (July 2002 est.)
Population Below National Poverty Level: 8.6%
GDP (current U.S.\$): \$47,713 million (2001)
GDP Per Capita (current U.S.\$): \$4,752 (2001)
GDP Per Capita (purchasing power parity): \$12,000 (2001 est.)
President: Ferenc Madl
Prime Minister: Peter Medgyessy
Ambassador to the U.S.: Geza Jeszenszky

Czech Republic

Capital: Prague
Language: Czech
Religion: Roman Catholic, Protestant
Population: 10.23 million (July 2003 est.)
Population Below National Poverty Level: Not Available
GDP (current U.S.\$): \$56,737 million (2001)
GDP Per Capita (current U.S.\$): \$5,515 (2001)
GDP Per Capita (purchasing power parity): \$15,300 (2002 est.)
President: Vaclav Havel
Prime Minister: Milos Zeman
Ambassador to the U.S.: Martin Palous

Slovenia

Capital: Ljubljana
Languages: Slovene, Hungarian, Italian, German, English
Religions: Roman Catholic, Protestant, Orthodox Christian, Muslim, Jewish
Population: 2 million (2001)
Population Below National Poverty Level: Not Available
GDP (current U.S.\$): \$18,630 million (2001)
GDP Per Capita (current U.S.\$): \$9,780 (2001)
GDP Per Capita (purchasing power parity): \$16,000 (2001 est.)
President: Janez Drnovsek
Prime Minister: Anton Rop
Ambassador to the U.S.: Davorin Kracun

**National Interest:**

- **Poland:** Poland's continued success as a free-market democracy and constructive regional player will have a major impact on American national interests and security in Europe. Poland is by far the world's largest and most significant example of successful transformation into a democratic market-oriented society, and is also the largest of NATO's three newest members. The success of U.S. foreign policy goals in NATO, Europe, and the nations emerging from communism is bound up with Poland's success. Poland was recently invited to join the European Union (EU) in 2004.
- **Hungary:** Hungary can help its neighbors take the right steps toward democratization, good economic management, and integration into Western European economic and security frameworks. As the only NATO ally that borders Serbia and Montenegro, Hungary is critical for U.S. efforts to promote reform in that country and bring lasting security to the region. Hungary was invited to join the EU, with membership expected in 2004.
- **Czech Republic:** The primary interest in the Czech Republic is to promote Czech economic, democracy and security reforms. Support of such reforms furthers U.S. interests in NATO policy debates (regional security and response to the Balkans crisis) and UN reform (strong Czech domestic security guards against international terrorism and transnational crime, corruption and organized crime). A democratic and economically strong Czech Republic creates an attractive environment for foreign direct investment. The Czech Republic was among the candidate countries invited to join the EU in 2004.

Slovenia: The primary goal is to encourage Slovenia's continued integration into Euro-Atlantic institutions. As Slovenia draws closer to its twin goals of membership in NATO and the EU, it will complete its process of democratic and economic reform, extending the zone of stability within Europe. Slovenia also was invited to join the EU in 2004.

OVERVIEW OF USAID'S FOCUS IN CENTRAL AND EASTERN EUROPE

No FY 03 funds are budgeted specifically for Poland, the Czech Republic, Hungary or Slovenia as they have graduated from U.S. bilateral assistance. Ongoing regional activities that are managed in the USAID Regional Services Center (RSC) in Budapest or in USAID/Washington include Poland, Hungary, and the Czech Republic. Highlights of these activities and legacy activities follow:

Poland:

The **Polish American Freedom Foundation (PAFF)**, established in 1999 by the Polish American Enterprise Fund, continues to finance its activities from revenues generated from the endowment fund. As of October 2002, the PAFF endowment fund was capitalized at \$137 million. Final capitalization is expected to be \$180 - \$200 million. PAFF initiatives include sharing Poland's development experiences with its neighbors, gathering information on Polish NGOs, village development, unemployment reduction, improving educational access via the internet, providing computers to teachers, and training health care managers and English teachers.

USAID/Washington's regional program **Partners for Financial Stability (PFS)** provides technical assistance to Polish agencies to promote the development of stable capital markets in Poland and the region. The centerpiece of PFS activity is the National Bank of Poland (NBP) supervision training center in Warsaw. The PFS activity is also working with several other Polish financial sector counterparts in addressing corporate governance, pension and insurance reform, investor and issuer relations, bank supervision and risk management, and internal audit. At the NBP supervision training center more than 70 participants from 17 countries have been trained since 2001. The center is expected to become self-sustaining. Seminars are planned for 2003 in cooperation with the World Bank and the Toronto Centre; USAID has also committed financial support in FY 2003. PFS will play an increasingly important role in 2003 in helping Poland develop its capital markets, particularly in corporate and municipal bonds, and in real estate as well as continuing to strengthen the government's oversight capabilities. Two other regional activities include work in Poland: **LOGIN** (Local Government Information Network) and **Improving Local NGO Sustainability**.

Czech Republic:

Four regional USAID activities include modest assistance to the Czech Republic. The Eurasian-American Partnership for Environmentally Sustainable Economies (**EcoLinks**), USAID provides small grants to promote and create lasting, environmentally-focused partnerships among Czech businesses, local governments, and relevant associations and their counterparts in the United States. **PFS** assists the Czech Securities Commission to improve corporate disclosure practices and ensure that the securities market meets international standards. The regional democracy programs **LOGIN** and **Improving Local NGO Sustainability** work in the country.

The Czech Republic is also eligible to participate in the **Roma Community Support Program (RCSP)** currently under procurement. Through this activity, Roma communities in the Czech Republic will be provided grants to expand their education, training, job placement, and other programs.

Hungary:

Budapest, Hungary is the home to USAID's Regional Services Center (RSC) which has responsibility for managing a number of regional projects. (See the RSC Profile for a complete description.) The democracy activity, **Improving Local NGO Sustainability** provides assistance in Hungary. Hungary will also be eligible to participate in the **RCSP** in ways described above for the Czech Republic.

The **Hungarian American Enterprise Fund (HAEF)** is a \$72.5 million investment fund financed by its fully obligated USAID grant. The purpose of the HAEF, organized in 1990, is to accelerate the development of Hungary's private commercial sector. HAEF has drawn down the entire \$72.5 million from USAID, and is in the process of winding down.

The **Hungarian-American Partnership Initiative (HAPI)** is a training activity which provides opportunities for the countries in the E&E region to learn from Hungary's successful transition to a market economy and democratic society. This training activity is designed to involve the Hungarian government in the implementation process with the express purpose of jump-starting a Hungarian assistance program which would contribute to the stability and development of the region, with priority devoted to the Stability Pact member states.

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http://www.usaid.gov/locations/europe_eurasia