

Capital: Moscow
Population: 144.1 million (2003: -.04% down from 2002)
GDP(current US\$): \$346.5 billion (2003)
GDP per capita (current US\$): \$2,140 (2003)
GDP per capita (purchasing power parity): \$9,700 (2002)
Population below the poverty line: 25% (2003)
Religion: Russian Orthodox, Muslim, others
Language: Russian, plus 140 other languages and dialects
President: Vladimir Vladimirovich Putin
Prime Minister: Mikhail Fradkov
Ambassador to US: Yuriy Victorovich Ushakov



National Interest: Spanning a vast area from Europe to Far East, Arctic to Central Asia, Russia is among the world's richest repositories of energy and other natural and human resources. As such, its successful transition to a democratic society and market economy is key to U.S. national and security interests. A U.S. strategic partner on issues ranging from disarmament and anti-terrorism to space cooperation and oil/gas exploration, a stable, secure Russia will affect U.S. interests in these and other issues. The country has made huge strides in destroying its nuclear arsenal, is moving towards integration into the international community, and is exerting increased influence on evolving world economic/commercial patterns, political alignments and settlement of regional conflicts. Russia is a major player in Eurasia; its political and economic transition is pivotal to the transition of its neighbors. The U.S. is the largest bilateral donor to Russia, and USAID is providing financial and technical assistance to promote economic growth, strengthen democratic institutions, and address critical health and social issues. We have an interest in ensuring Russia's effective response to human health concerns, including the HIV/AIDS pandemic and environmental mismanagement, with their implications for the U.S. and the international community.

OVERVIEW OF USAID'S FOCUS IN RUSSIA

FY04: USAID Total - \$77.3 million

Economic Development (FY04 \$16.4M, 21%): USAID provides economic assistance to small and medium enterprises (SMEs) through its development credit assistance and non-bank finance programs. A banking reform program is underway that will also increase credit to SMEs. USAID provides a broad range of services to SMEs in the Russian Far East (RFE). It also operates forestry and community-based environmental programs, primarily in the RFE. USAID supports economic think tanks in fiscal, banking and trade policy, and is assisting business associations to improve the investment environment and streamline regulations.

Democracy and Civil Society (FY04 \$17.9M, 23%): USAID programs support the independent print and broadcast media, promote judicial reform and civic education, and strengthen human rights organizations. It supports NGOs and volunteer initiatives. Regional and local level programs increase citizen participation in economic and political decision-making and strengthen electoral processes to institutionalize open and free elections. USAID also works with Russian judges to strengthen the rule of law.

Health (FY04 \$19.7M, 25%): The USAID health program provides support to improve the quality of primary health care, particularly health care services for women and infants. It also has an important child welfare program aimed at reducing the number of children sent to orphanages and providing service for families in crisis. A new initiative puts extra resources into a program to reduce and control the rapid growth of HIV/AIDS and vaccine-resistant tuberculosis. Programs are implemented through a range of partnerships, and disseminate and replicate models developed over the past decade.

Special Initiatives (FY04 \$23.3M, 30%): Regional Initiatives (RIs) improve investment climate, enhance social services and encourage democratic institutions in Russia's farflung regions. RI program areas generally demonstrate political and economic stability, openness to outside investment and partnerships, willingness to implement reforms, an active small business community, established NGO community and potential for replication. USAID programs are active in the Russian Far East, Samara, Tomsk, the Volga Federal District and other regions. USAID uses several "cross-cutting" programs to disseminate best practices and successful models to the regions and seeks to partner with local businesses and other donor organizations to further replicate project success.

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