

Kyrgyzstan

The Development Challenge: Kyrgyzstan is a small, poor, mountainous country with limited natural resources, high indebtedness, and a predominantly agricultural economy. Despite these constraints, Kyrgyzstan is the most open, progressive, and cooperative country in Central Asia. It leads the region in local government reform, health care reform, and in actively addressing new health issues, such as malaria, TB, and HIV/AIDS, in an open and direct manner. Civil society and media are, at times, able to influence government policy and legislation. Parliament is increasingly active and sometimes provides a check on government control. The budgeting process is one of the most transparent in the region. Despite widespread poverty, pervasive corruption, and deteriorating infrastructure, Kyrgyzstan is at least able to hold its own economically, with GDP growth at 5.9% during the first 10 months of 2003, per capita income growth at 1.5%, and average monthly salaries up by 13.5%. Banking deposits increased by 25% which, together with investments by three Kazak banks, indicates increased confidence in the system.

Kyrgyzstan is the only country in Central Asia in which a majority of local government officials are elected, and almost 42% of incumbents were voted out of office in the last elections. The 2005 Presidential elections will be an important barometer of Kyrgyzstan's commitment to democratic reform. Nevertheless, corruption, stemming in part from very low government salaries and a powerful oligarchy, has become a primary concern. Many lucrative businesses and investment projects have been monopolized by a small group of politically well-connected entrepreneurs. A maze of uncodified "fees" continues to constrain free enterprise. The government's control of the media and its harassment of critics are generating increasing cynicism among the population. Essential social services, critical to maintaining public support for reform, are still inadequate. Poverty-level wages in the education sector are jeopardizing the education of an entire generation. Government estimates place approximately half the population at or below the poverty line. Trade barriers, such as the closed border with Uzbekistan and protectionist measures in Kazakhstan, continue to constrain trade.

Kyrgyzstan is a strong U.S. ally in the war on terrorism. Its support in the form of the vital coalition airbase in Manas and over-flight rights was essential to efforts to combat terrorism. Kyrgyzstan's reform agenda directly advances U.S. national interests by promoting economic and democratic reform. Its location at the headwaters of major river systems in Central Asia also enables it to play a pivotal role in regional resource management, such as irrigated agriculture, power generation, and flooding in the downstream countries. The challenges described above, and protectionist trade measures from neighbors, especially the closed border with Uzbekistan, are potential sources of conflict that could undermine regional stability.

The USAID Program: USAID's strategy has been to strengthen democratic culture, foster a favorable business environment, promote health system restructuring, support anti-trafficking measures, improve basic primary education, and encourage "self-help" initiatives to avoid conflicts and improve living conditions within local resource constraints. These efforts contribute to an environment in which democracy and open markets can flourish, thereby promoting internal stability and greater prosperity. The U.S. is providing assistance to help Kyrgyzstan fight trafficking in persons. Partnerships, training, and exchanges remain an important component of U.S. assistance. USAID supports a number of U.S.-Kyrgyzstan institutional partnerships that seek to build lasting relationships. USAID also supports a successful program for independent testing of secondary school graduates, and collaborates where possible to support the American University of Central Asia.

All of USAID's programs work directly through private firms and NGOs. USAID provides technical assistance to government ministries and agencies to implement reform; no funds are given directly to the government. Technical assistance is also given to Parliament to strengthen its role as a counterweight to executive power. To help the government compensate for the steady brain-drain to the private sector since Kyrgyzstan's independence, USAID has provided training as a key component of all programs.

The Program Data Sheets cover seven strategic objectives for which USAID is requesting funds. The strategy aims to promote reforms that foster the growth of small/medium enterprises, promote democracy and civil society, increase utilization of quality primary health care and prevent infectious disease,

encourage better use of the region's water and energy resources, improve basic education, strengthen conflict prevention, and address cross-cutting issues within the program (i.e., training). FY 2005 funds will be used to implement the program as currently planned, including cross-cutting objectives in youth, gender, anti-corruption, and rule of law. USAID will continue to integrate conflict prevention into the overall program through education, agro-enterprise growth, and community development, especially in the more vulnerable southern portion of the country.

Other Program Elements: The Farmer-to-Farmer Program, managed by USAID's Bureau for Economic Growth, Agriculture, and Trade, is active in Kyrgyzstan. The Eurasia Foundation has an active small grants program, which complements the USAID programs in education, small business, local government, and civil society. Centrally-funded activities include some applied research in health. The Departments of Commerce, Defense, and State also manage programs complementary to USAID field activities in various sectors. At the U.S. Embassy's request, USAID coordinates a very large program of donated humanitarian commodities, transported with State Department funding.

Other Donors: Almost all major multinational donors are active in Kyrgyzstan, together with many important bilateral donors such as the European Union, the British, Germans, Swiss, and Japanese. The largest donors are the Asian Development Bank, the International Monetary Fund, and the World Bank. Also important are the Economic Bank for Reconstruction and Development, the International Organization for Migration, the Islamic Development Bank, the Aga Kahn Foundation, and the Open Society Institute. USAID coordinates with all regularly, working in particular with the World Bank and the United Nations. Kyrgyzstan has received a grant from the Global Fund to fight AIDS, Tuberculosis, and Malaria, and USAID will continue cooperation with the government throughout its implementation. The World Bank leads the donor coordination efforts in the country and maintains an active database of projects and programs. USAID collaborates in all areas, but especially significant are joint efforts in health reform with the World Bank.

Data Sheet

USAID Mission:	Kyrgyzstan
Program Title:	Small and Medium Enterprises
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	116-0131
Proposed FY 2004 Obligation:	\$12,575,000 FSA
Prior Year Unobligated:	\$904,000 FSA
Proposed FY 2005 Obligation:	\$9,950,000 FSA
Year of Initial Obligation:	2001
Year of Final Obligation:	FY 2006

Summary: USAID's program to improve the environment for the growth of small/medium enterprises (SMEs) includes training and technical assistance to increase opportunities to acquire business information, knowledge, and skills, support more responsive financial institutions, instruments, and markets, and improve the implementation of laws and regulations.

Inputs, Outputs, Activities:

FY 2004 Program:

Business Skills and Information (\$5,065,000 FSA, \$414,226 FSA carryover). USAID's Enterprise Development Project (EDP) will deliver business, consulting, and trade advisory services to approximately 120 firms in Bishkek and Osh. Assistance will focus on technical advice and training to farmers, agro-input retailers, and food processors. EDP services will help clients to increase sales and productivity by 18% and 10%, respectively, on average. EDP also will continue training, testing, and certifying accountants in International Accounting Standards (IAS). EDP will help Kyrgyz accountants to earn the Certified Accounting Practitioner and Certified International Professional Accountant designations. Principal contractors/grantees: Pragma Corporation (prime), Winrock International (prime), MASHAV (prime), and International Fertilizer Development Center (prime).

USAID will continue providing support to strengthen the quality of higher education by training professors in modern business and economics and working with administrators at universities to build management capacity. USAID, in partnership with Junior Achievement International (JAI), will provide business and economics training to teachers and build administrative capacity in JAI local chapters. Principal contractors/grantees: Carana Corporation (prime) and JAI (prime).

Access to Capital (\$1,765,000 FSA, \$160,000 FSA carryover). USAID will provide financing for SMEs and continue supporting its partnership with the European Bank for Reconstruction and Development's (EBRD's) Micro and Small Enterprise Finance Facility by training loan officers that oversee the \$15.3 million credit line for SMEs. USAID also will provide technical assistance and lending capital to developing microfinance institutions. Principal contractors/grantees: Agricultural Cooperative Development International/Volunteers for Overseas Cooperative Assistance (ACDI/VOCA) (prime) and EBRD (prime).

Improve the Implementation of Laws and Regulations (\$5,745,000 FSA, \$329,680 FSA carryover). USAID's Trade Facilitation and Investment (TFI) Project will work with associations and government to reduce investment constraints, particularly in the Ferghana Valley, where customs procedures severely inhibit the flow of trade. TFI will also begin assistance to the Kyrgyz quality standards regulator to help it make the transition to a more service-oriented organization. Principal contractor/grantee: Pragma Corporation (prime).

USAID will assist the National Bank in developing a legal strategy to improve enforcement of regulations and will provide much-needed training in banking supervision. Additionally, USAID will place greater

emphasis on strengthening national capacities to formulate and implement budget and tax policies. As recommended by a USAID-funded evaluation, USAID will work with counterparts to improve the tax code. Principal contractor/grantee: BearingPoint (prime).

USAID and Kyrgyz legal professionals will improve civil and commercial laws and build capacity to implement those laws in a fair, transparent way. Actions will include training the judiciary in civil, criminal, and commercial law, preparing and disseminating legal information, and developing an administrative procedures act. Principal contractor/grantee: ARD/Checchi (prime).

USAID's work to facilitate land privatization will continue with the Kyrgyz Land Reform Project. The project will train individuals in rural communities to resolve land disputes and support existing NGO partners to conduct land rights awareness workshops. The project will also assist entrepreneurs to purchase municipally-owned land through the support of eight land sales centers and conduct awareness campaigns. Principal contractor/grantee: Chemonics International (prime).

FY 2005 Program:

Business Skills and Information (\$4,252,000 FSA). The EDP will continue delivering advisory services and training, focusing on the implementation of IAS in client businesses. There will be efforts to find synergies between EDP and the Resource Network for Economics and Business Education (EdNet) by developing the expertise found in academic institutions to build local consulting capacity. Building export capability in Ferghana Valley businesses and trade links with larger markets also will be a priority. Principal contractors/grantees: Pragma Corporation (prime) and others to be determined.

Access to Capital (\$2,020,000 FSA). Assistance to microfinance institutions will emphasize sustainability and the conversion to deposit-taking, micro-credit companies under the new microfinance law. Work with the National Bank will further implement Basel Core Principles to improve supervisory capabilities, to promote risk-based management and good corporate governance, and to enforce the regulatory ability of the National Bank. Principal contractors/grantees: ACDI/VOCA (prime) and others to be determined.

Improve the Implementation of Laws and Regulations (\$3,678,000 FSA). TFI will continue its activities, specifically in forming partnerships with associations and government to improve cross-border trade in the Ferghana Valley. Work with the quality standards regulator will be a key part of the project. USAID expects to have a revised tax code by the end of FY 2004. The program will shift focus to implementing regulations and educating businesses and government on new provisions. USAID may expand assistance to improve the fiscal capabilities of regional municipalities if budget decentralization continues. Principal contractor/grantee: Pragma Corporation (prime).

Performance and Results: USAID provided business and trade advisory services to 134 businesses in Bishkek; they obtained a combined \$1.6 million in financing and a cumulative \$1.5 million growth in sales, a 35% increase from 2002. With USAID assistance, international experts and members of a national level working group completed a World Trade Organization-compliant draft Law on Technical Regulations, which will significantly reduce product certification requirements for SMEs and help transform the Kyrgyz quality standards regulator into a modern organization. USAID, in partnership with the International Monetary Fund, was pivotal in creating the Large Taxpayer Unit, which will improve data collection and taxpayer services, thereby improving revenue collection. Finally, our assistance was instrumental in the introduction, design, approval, and implementation of a property tax in Kyrgyzstan.

By program's end, small and medium enterprises will be more competitive, and reforms to the regulatory and legal environment will help foster their further development. The sustained growth of SMEs is critical to employment and income generation. Business associations will be effective voices for policy change and capable of providing quality services to their members.

Data Sheet

USAID Mission:	Kyrgyzstan
Program Title:	Energy and Water
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	116-0161
Proposed FY 2004 Obligation:	\$1,860,000 FSA
Prior Year Unobligated:	\$250,000 FSA
Proposed FY 2005 Obligation:	\$1,350,000 FSA
Year of Initial Obligation:	2001
Year of Final Obligation:	FY 2006

Summary: USAID assistance is helping Kyrgyzstan improve the management of the nation's energy, water, and agricultural resources. Because Kyrgyzstan has access to few oil and natural gas resources and has yet to implement tariffs and decrease energy losses to offset fuel imports, the country uses excessive amounts of hydroelectric power for winter heating. Kyrgyzstan is able to do this because its mountain ranges capture abundant snowfall and because it is home to the region's major dams and hydro-electric power-generating facilities. Downstream water users are dependent on the water stored in Kyrgyzstan for economically-important summer irrigation. Proper use of these facilities, with consideration of regional priorities, is important for reducing tensions in Central Asia.

Inputs, Outputs, Activities:

FY 2004 Program:

Improve Financial Viability and Reduce Losses Within the Energy Sector (\$600,000 FSA, \$250,000 FSA carryover). USAID will focus on reducing energy losses, through the provision of equipment, training, and public outreach. Building on demonstration models that properly measure losses and improving metering, billing, and collections, USAID will help the utility sector in Kyrgyzstan increase revenues to support the system. In anticipation of rising energy prices, USAID is helping entities in the health and education sectors to implement pilot projects and conduct public education to lower energy costs. In 2004, a small hydro-power project near the village of Jangy-Naukat, a largely Uzbek community in Osh Oblast, will be completed. The new system will serve the local school, health facility, and various businesses. It is estimated that at least 120 new jobs will be created in local fruit and juice processing, garment manufacturing, knitting, and similar light industries. Principle contractor/grantee: PA Government Services.

Water User Association Support (\$1,000,000 FSA). USAID will broaden and strengthen its assistance to newly-formed Water User Associations (WUA) in Kyrgyzstan. The program will: develop irrigation system demonstration models and/or techniques that use water more efficiently; promote and stimulate WUA policy and procedural reforms and replications of demonstration models and training; conduct public outreach campaigns and training to promote replication of WUAs to donors, international financial institutions, NGOs, citizens, and local and state government agencies; and implement a competitive small grants program to assist WUAs. Types of assistance supported by the small grants program will include purchase of field or office equipment, infrastructure repair, and training. Principal contractors/grantees: PA Government Services and another partner to be determined.

Regional Cooperation in Water (\$260,000 FSA). USAID will work with Kyrgyzstan authorities to develop functional operating regimes for major dams and thereby improve management of water resources. USAID's assistance will ultimately provide resource managers in Kyrgyzstan and downstream countries with important data, enabling them to ensure that national needs are met with available resources. USAID will continue work on bilateral and multilateral agreements for regional energy markets and water-sharing. Principle contractor/grantee: PA Government Services (prime).

FY 2005 Program:

Improve Financial Viability and Reduce Losses Within the Energy Sector (\$300,000 FSA). USAID will focus on reducing energy losses, through the provision of equipment, training, and public outreach. Building on demonstration models that properly measure losses and improving metering, billing, and collections, USAID will help the utility sector in Kyrgyzstan increase revenues to support the system. In anticipation of rising energy prices, USAID is helping entities in the health and education sectors to implement pilot projects and conduct public education to lower energy costs. In 2004, a small hydropower project near the village of Jangy-Naukat, a largely Uzbek community in Osh Oblast, will be completed. The new system will serve the local school, health facility, and various businesses. It is estimated that at least 120 new jobs will be created in local fruit and juice processing, garment manufacturing, knitting, and similar light industries. Principle contractor/grantee: PA Government Services.

Water User Association Support (\$800,000 FSA). USAID will broaden and strengthen its assistance to newly-formed Water User Associations (WUA) in Kyrgyzstan. The program will: develop irrigation system demonstration models and/or techniques that use water more efficiently; promote and stimulate WUA policy and procedural reforms and replications of demonstration models and training; conduct public outreach campaigns and training to promote replication of WUAs to donors, international financial institutions, NGOs, citizens, and local and state government agencies; and implement a competitive small grants program to assist WUAs. Types of assistance supported by the small grants program will include purchase of field or office equipment, infrastructure repair, and training. Principal contractors/grantees: PA Government Services and another partner to be determined.

Regional Cooperation in Water (\$250,000 FSA). Water programs will focus on providing Kyrgyz decision makers with technological and structural solutions to better collect, process, and transmit critical water data; and will help develop trust between countries over shared resources. USAID will work with Kyrgyzstan authorities to develop functional operating regimes for major dams and thereby improve management of water resources. USAID's assistance will ultimately provide resource managers in Kyrgyzstan and downstream countries with important data, enabling them to ensure that national needs are met with available resources. USAID will continue work on bilateral and multilateral agreements for regional energy markets and water-sharing. Principle contractor/grantee: PA Government Services (prime).

Performance and Results: Progress by Kyrgyzstan to make improvements in the nation's energy system has been sluggish. However, there are indications this is changing with donor assistance. Successful heating efficiency projects have been completed at two schools in Kara Balta, achieving energy savings of 20% last year and anticipated higher savings this year. Local leaders and residents alike are convinced of the benefits of heating systems that automatically adjust to heating requirements and thereby diminish costs and create a more comfortable learning environment. In the energy loss reduction program, equipment has been installed and training is enabling specialists to better identify where losses are taking place and how they can be addressed. USAID continued to introduce new technologies, software, and equipment to enhance the capability of the Kyrgyz government's weather and water forecasting centers in Bishkek and Osh. Specialists are using USAID training and equipment on a daily basis to forecast, plan, and share data regionally. Equipment and personnel at the centers now meet the standards of the World Meteorological Organization.

By program completion, demonstration models will be in place to improve heating efficiency, reduce energy losses in transmission systems, and harness hydropower, and specialists will be trained to effectively utilize and replicate models. An improved system of collecting, analyzing, and transmitting water data also will be fully implemented. Finally, a greater number of WUAs will be in place and operating in a more favorable legislative environment.

Data Sheet

USAID Mission:	Kyrgyzstan
Program Title:	Democratic Culture and Institutions
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	116-0211
Proposed FY 2004 Obligation:	\$6,500,000 FSA
Prior Year Unobligated:	\$216,000 ESF; \$1,083,000 FSA
Proposed FY 2005 Obligation:	\$5,400,000 FSA
Year of Initial Obligation:	2001
Year of Final Obligation:	FY 2006

Summary: USAID's democracy efforts in Kyrgyzstan are geared toward creating stronger, and more sustainable civic organizations, increasing the availability of information on civic rights and domestic public issues, enhancing opportunities for citizen participation in governance, and helping public institutions become more effective, responsive, and accountable.

Inputs, Outputs, Activities:

FY 2004 Program:

Accountable Public Institutions (\$2,542,707 FSA, \$227,542 FSA carryover). USAID's local government program will promote further decentralization through clear functional assignments that empower local governments. USAID will solicit proposals for legal education reform, and continue to support judicial training and dissemination of judicial opinions. Principal contractors/grantees: ARD/Checchi (prime), the Urban Institute (prime), and others to be determined.

Civic Organizations (\$1,764,509 FSA). NGO resource centers will be the main beneficiaries of capacity-building institutional grants, which will allow NGOs to become an integrated part of the civil society resource center network. Community grants will be given to local organizations to mobilize around various issues and advocate for their needs at the local level. USAID will help create an enabling environment for civil society development by improving the legal framework for NGOs and by providing legal consultations to NGOs on a variety of legal issues. USAID will build on its initial human rights efforts in Kyrgyzstan by issuing a proposal for human rights training and advocacy, with a specific focus on human trafficking, including the protection of trafficking victims. Principal contractors/grantees: Counterpart (prime), the International Center for Not-for-Profit Law (sub), Social Impact (sub), Winrock International (prime), and others to be determined.

Citizen Participation (\$765,100 FSA, \$816,925 FSA carryover). In FY 2004, the Kyrgyz Parliament will review drafts of a new political party law and a new election code. USAID will work with parliamentarians to ensure that these draft laws are well-analyzed and incorporate public input via public hearings. USAID will offer limited training for political parties and will assess the need for a request for proposals for parliamentary and political party work. USAID will work with local NGOs in advocating for the political parties law and election code and other legislation that must be redrafted as a result of the new constitution. Principal contractors/grantees: to be determined.

Media and Information (\$1,427,684 FSA, \$38,770 FSA carryover). USAID will redesign its media program in FY 2004. Components of the new activity include providing information through programming support, generating public discussion on media issues, increasing the economic viability of independent television stations, and supporting independent newspapers and radio stations. Support will continue for civic education activities. USAID will make improvements to the civic education textbook and a teacher's manual, which will be introduced to 500 new schools. In addition to the textbook, civic education extracurricular activities will be conducted, giving students a forum to practice some of the new ideas they

learn in the civics classes. Principal contractors/grantees: International Foundation for Election Systems (prime) and others to be determined.

FY 2005 Program:

Accountable Public Institutions (\$1,312,341 FSA). USAID will advance decentralization in Kyrgyzstan by assisting the government to draft local government legislation and advising it on decentralization issues. At the local level, USAID will assist targeted Kyrgyz cities to carry out their functions in a decentralized system. USAID will support legal reform by focusing on law students through wide-ranging legal education activities. Based on the opportunities for judicial reform USAID may expand its judicial training program to include other activities to strengthen the judiciary. Principal contractors/grantees: same as above.

Civic Organizations (\$1,881,159 FSA). USAID will support the network of NGO resource centers by providing a full-range of services to indigenous civil society organizations so that they can serve as advocates for reform in their respective communities. By 2005, USAID will shift from supporting the U.S.-based implementing partners to directly assisting the local network of resource centers. Training will be focused on institutional capacity-building and financial management. Local human rights advocates will receive information and training on international human rights standards. With the help of USAID, local organizations will be better-equipped to tackle the problems associated with human trafficking. USAID funds will help NGOs provide legal, medical, and psychological services to trafficking victims. Principal contractors/grantees: same as above.

Citizen Participation (\$841,561 FSA). The nature of the work to be done with political parties and Parliament in 2005 will largely depend upon the outcome of the February 2005 parliamentary elections. If the election produces a Parliament with numerous parties, USAID will concentrate on orienting new parliamentarians and working with returnees to get the Parliament off to a productive start. USAID will also work with civic advocacy groups on the parliamentary elections, and may provide support for political parties and citizens to participate in the presidential elections to be held in October 2005. Principal contractors/grantees: to be determined.

Media and Information (\$1,364,939 FSA). In 2005, USAID's support for media will continue with a focus on print media. Assuming that the independent printing press is still fully operational in 2005, newspapers will have a strong advantage over other media in avoiding government harassment. USAID will provide training and technical assistance to print media organizations. Efforts will continue to introduce the civic education textbook and teachers' manual in as many schools as possible and persuade the government to include the civic education course in the national curriculum. Principal contractors/grantees: same as above.

Performance and Results: The Constitutional Referendum held in February was a major setback for democracy. Initially, the government welcomed public participation in the development of the amendments to be considered, but at the last moment disregarded them, issuing its own set of amendments, further concentrating power in the President's hands. NGOs and political opposition members involved in the referendum were harassed by the government. Government harassment of the media contributed to significant self-censorship by independent media and the closure of one independent newspaper. On a more positive note, a new local government finance law and new amendments to the tax code were passed, establishing an economic basis for local self-government and sustainable NGOs. With USAID assistance, the government introduced and implemented a National Plan of Action to Combat Human Trafficking that includes anti-trafficking materials, providing free airtime on state television and radio for announcements, and mandating hundreds of law enforcement officials at central and local levels to participate in anti-trafficking lectures. The passage of tax code amendments in March now allows for grants and humanitarian assistance to be tax-exempt, a major step forward for the sustainability of NGOs. By program's end, there will be stronger and more sustainable civic organizations, increased availability of information on civic rights and domestic issues, enhanced opportunities for citizen participation in governance, and more effective, responsive, and accountable public institutions.

Data Sheet

USAID Mission:	Kyrgyzstan
Program Title:	Conflict Prevention
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	116-0240
Proposed FY 2004 Obligation:	\$643,000 FSA
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$600,000 FSA
Year of Initial Obligation:	2004
Year of Final Obligation:	FY 2006

Summary: Conflict prevention strengthens vulnerable communities and eases local tensions through public dialogue and improvement of small-scale social and physical infrastructure. Through this approach, USAID is addressing 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 the U.S. Government's ability to change structural factors at the national level is limited, USAID's 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 with local government, and contribute to mitigating sources of conflict by promoting economic recovery and inter-ethnic cooperation. In the Kyrgyz Republic, conflict prevention activities are focused in the Ferghana Valley and Batken, where threats of extremism are most prevalent. The Islamic Movement of Uzbekistan (IMU) made incursions into Batken in 1999-2000. The Ferghana Valley was determined to be at greater risk for conflict for a variety of reasons including greater threats due to extremism, more concentrated populations, a high percentage of youth, and closed borders. Conflict prevention activities began in FY 2002 under the Mission's cross-cutting program, and have been reported up to now as a component under SO 4.2. Since the conflict program will become a strategic objective in FY 2004, it is being notified separately for FY 2004 funding.

Inputs, Outputs, Activities:

FY 2004 Program:

Conflict Prevention (\$643,000 FSA). Conflict prevention activities will expand to 50 Ferghana Valley and Southern Kyrgyzstan communities, with a new emphasis on Batken Oblast, where vulnerability to extremist activities is deemed quite high. Community targeting also will take into account localities where recently-disempowered elites may attempt to manipulate their constituents to undertake violent action in their defense. USAID will continue to focus on coordination with other partners to address issues of unemployment (especially among urban youth). The primary instrument for achieving this will be a new programmatic component added in FY 2003, which directly targets businesses that serve communities through lower prices and lower unemployment, and thereby alleviate economic tension. As a result of a mid-term evaluation of the program, a number of adjustments will be made including: more directly discussing and addressing issues of conflict in communities; placing a greater emphasis on social projects and activities to be done in conjunction with infrastructure projects; and making a greater effort to involve women and youth. Principal contractors/grantees: Agricultural Cooperative Development International/Volunteers for Overseas Cooperative Assistance (ACDI/VOCA) and Mercy Corps.

FY 2005 Program:

Conflict Prevention (\$600,000 FSA). By 2005, USAID will be nearing the end of its engagement with some of its initial conflict prevention sites. In the more recently-targeted areas, where conflict vulnerability is likely to be much higher, economic activities and community-based infrastructure and social events will continue to help communities draw youth away from the attraction of violent and extremist organizations

and manipulation by elites. The number of total beneficiaries is expected to reach approximately 200,000 in 2005. Principal contractors/grantees: to be determined.

Performance and Results: Kyrgyzstan's conflict prevention activities are focused in the south, where tensions run especially high because of several factors. Some examples are: closed international borders that restrict trade; disputes that have resulted from recent land reform measures; a general lack of information; government control of media; unemployment; manipulation by elites; and issues that arise in an ethnically-mixed area such as the Ferghana Valley. At the end of FY 2003, USAID was active in 27 communities in Kyrgyzstan, including Ferghana Valley border communities. Over 100,000 people benefited from this program through 70 projects completed this fiscal year. Some examples of USAID's conflict prevention activities include a small, ethnically-Turkish isolated village that was able to leverage local government funding to help with road rehabilitation, summer camps, and other children's events (e.g., sporting competitions and talent shows) that have brought border children and their parents together for social interaction. The neighboring villages of Jeke-Miste, Kyrgyzstan, and Naiman, Uzbekistan completed a water project that allows for sufficient water to serve the upstream village's irrigation needs as well as the downstream village's cleaning and drinking needs. Polling began in FY 2003, providing USAID with baseline data for levels of trust within and between communities and residents' perceptions of local tension. A recent mid-term project evaluation of USAID's conflict prevention program states that, in general, USAID is helping to realize a stronger social fabric in these communities. By program's end, there will be an increased number of communities reporting lessened tension or resolved conflicts, strengthened community participation and improved local services through community decisions.

Data Sheet

USAID Mission:	Kyrgyzstan
Program Title:	Health and Population
Pillar:	Global Health
Strategic Objective:	116-0320
Proposed FY 2004 Obligation:	\$5,340,000 FSA
Prior Year Unobligated:	\$2,891,000 FSA
Proposed FY 2005 Obligation:	\$3,600,000 FSA
Year of Initial Obligation:	2001
Year of Final Obligation:	FY 2006

Summary: USAID's quality primary health care (PHC) objective is creating a higher quality, more cost-effective system nationwide through improving health education; awarding of small grants; retraining doctors and nurses; implementing incentive-based provider payment systems; helping professional associations develop and provide member services; developing pre-service and postgraduate education in family medicine; reducing conflict through sports and health education programs; controlling tuberculosis (TB); assisting malaria control efforts; and containing the HIV epidemic among injecting drug users.

Inputs, Outputs, Activities:

FY 2004 Program:

Increase Quality of Primary Health Care (\$3,940,000 FSA, \$762,304 FSA carryover). USAID will promote healthy behaviors with campaigns and award local NGOs small grants for community health projects. The national Family Medicine Residency Program will continue. Family doctors and nurses will be trained, and quality improvement approaches will be established in more PHC clinics and continuing medical education programs in more oblasts. New partnerships will improve pre-service medical education and strengthen nursing leadership. The National Family Group Practice Association (FGPA) will be directly supported to provide more member services and develop its community role. The National Hospital Association will expand training on financial management and initiate quality improvement activities. A pharmaceutical distribution system to deliver donated drugs to remote PHC clinics will continue. USAID will establish the single payer system in five remaining oblasts plus Bishkek. Principal contractors/grantees: Abt Associates (prime), American International Health Alliance (prime); Citihope International (prime); Counterpart Consortium (prime); FGPA (prime), the National Hospital Association (prime), and new partners to be determined.

Improve Maternal and Child Health Services (\$1,458,000 FSA carryover). USAID will train health staff to better manage obstetric and prenatal care and expand Integrated Management of Childhood Illnesses training. USAID's cross-border Sports and Health Education Project will expand to week-long school camps with after-school sports, health education, and school improvement projects. Principal contractors/grantees: Abt Associates (prime) and Project Hope (prime).

Control TB and Other Infectious Diseases (\$550,000 FSA, \$405,292 FSA carryover). USAID will launch a new, five-year TB Control Program to strengthen TB surveillance, lab quality and rational drug management within a reforming health care system. Control of drug resistance and strategies to address HIV/TB co-infection will be emphasized. Improved coordination will be sought between the health and penal systems and between organizations and donors, including the Global Fund to Fight AIDS, TB and Malaria (GFATM). The Applied Epidemiology Program will continue. Principal contractors/grantees: U.S. Centers for Disease Control and Prevention (CDC) (prime) and a new partner to be determined.

Prevent the Spread of HIV/AIDS (\$850,000 FSA, \$265,180 FSA carryover). CDC will continue establishing HIV sentinel surveillance sites with modern virology lab equipment. A new comprehensive

HIV/AIDS prevention activity will help NGOs expand their service coverage, targeting high risk groups. USAID will assist with antiretroviral use, treatment for opportunistic infections, and counseling and testing services. Social marketing of condoms will continue. The government will be supported to implement a planned grant from GFATM. Principal contractors/grantees: CDC (prime), Population Services International (prime), and new partners to be determined.

FY 2005 Program:

Increase the Quality of Primary Health Care (\$1,590,460 FSA). USAID will award a new contract to intensify health promotion activities, expand quality improvement across levels of care, and extend health finance and reform efforts to the public health system. USAID will continue support of the FGPA and the National Hospital Association, and small grant support to health sector NGOs community projects. The pre-service medical education and nurse leadership partnerships will continue. Principal contractors/grantees: same as above.

Control TB and Other Infectious Diseases (\$512,708 FSA). USAID's new program will continue specialists' training in electronic surveillance and lab diagnostics, train oblast-level monitoring teams to monitor lab and facility quality, and train PHC doctors to diagnose and treat patients in the community. USAID will continue funding Applied Epidemiology training. Principal contractors/grantees: same as above.

Prevent the Spread of HIV/AIDS (\$866,285 FSA). HIV/AIDS surveillance will begin expansion to a national program. Building on sector reform, integrated surveillance will be pursued to increase efficiencies. Lab quality will be enhanced and activities in support of GFATM continued. USAID's drug reduction program will create regional links in the Ferghana Valley with Tajik and Uzbek NGOs and related drug demand prevention activities. Principal contractors/grantees: same as above.

Improve Maternal and Child Health Services (\$630,547 FSA). USAID will continue training physicians and nurses to better manage obstetric and pre-natal care and to manage serious childhood illnesses. USAID's cross-border Sports and health education project will expand the number of school camps conducted. Principal contractors/grantees: same as above.

Performance and Results: Reformed primary health care practices now make up a nationwide system and the first laws have been passed that establish the health financing system for the entire country. People are increasingly relying on family doctors for outpatient care, with PHC visits comprising 58.2% of total outpatient visits (56% target). Nationwide, 73% of family doctors and 64% of family nurses have completed standard retraining programs in oblast-level Family Medicine Training Centers. Quality improvement approaches are being practiced by 54 clinics, up from 3 clinics-2 years ago. The Ministry of Health is ready to integrate sexually transmitted infection (STI) treatment into PHC services nationally due to results from pilot projects on STIs. PHC is producing a greater share of total health expenditures, 29% compared with 25% last year. The new small grants program awarded grants to 48 NGOs for improving drinking water and other health projects-benefiting more than 7,000 people. TB deaths are increasing as are the numbers of people diagnosed, while drug shortages during the year may have led to the lack of change in cure rates. Results from monitoring indicate that TB labs' and facilities' average scores on minimum standards checklists are meeting targets. With the successful completion of this program, Kyrgyzstan will have country-wide health finance and health information systems, improved quality of health care, a continuing medical education system for family doctors, a public health structure with new payment and management systems, a coordinated comprehensive HIV/AIDS program that includes prevention, care and treatment, and a firmly established TB control program.

Data Sheet

USAID Mission:	Kyrgyzstan
Program Title:	Strengthened Basic Education Sector
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	116-0340
Proposed FY 2004 Obligation:	\$155,000 FSA
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$120,000 FSA
Year of Initial Obligation:	2004
Year of Final Obligation:	FY 2006

Summary: The USAID Basic Education Sector Strengthening Program began its activities in FY 2003 with supplemental funding under the cross-cutting strategic objective. In FY 2004, basic education will become a separate strategic objective. In Kyrgyzstan the program focuses on improving in-service teacher training, increasing parent and community involvement in schools, strengthening institutional, management, and technical capacity at all levels of the educational system; and improving school infrastructure. The principal activity, Participation, Education, And Knowledge Strengthening (PEAKS), covers all areas of focus under this strategic objective.

Inputs, Outputs, Activities:

FY 2004 Program:

Implement In-Service Teacher Training (\$73,000 FSA, \$250,000 FSA carryover). USAID will continue training and capacity building activities for teachers. These activities will complement the existing school-based programs, such as PEAKS and the Sports and Health Education Program. Training will strengthen teachers' skills in pedagogy, and development of curricula and learning materials to achieve better classroom results. Principal contractors/grantees: Academy for Educational Development (prime), Open Society Institute (sub), and Save the Children/U.K. (sub).

Increase Involvement of Parents and Community in Basic Education (\$66,000 FSA, \$223,000 FSA carryover). Partnerships between schools, parents, and community will be strengthened to improve local support for schools and enhance parents' role as monitors of educational quality. Activities will complement the existing program and increase access of marginalized children to quality basic education. Schools will continue to receive assistance in infrastructure rehabilitation. Principal contractors/grantees: Academy for Educational Development (prime), Open Society Institute (sub), Save the Children/U.K. (sub), and Save the Children/U.S. (sub).

Strengthen Management Capacity in the Education Sector (\$16,000 FSA, \$50,435 FSA carryover). School administrators and local-level education authorities will receive training in effective school management and strategic planning. Efforts will be made to improve financing policies in the education sector and promote well-designed decentralization. Additional technical training for the Independent Testing Organization and regional testing events will support the continued development of the test development and implementation organization developed with partner American Councils for International Education to improve the fairness of distribution of government scholarships. Principal contractors/grantees: Academy for Educational Development (prime) and Abt Associates (sub).

FY 2005 Program:

Implement In-Service Teacher Training Activities (\$57,000 FSA). USAID plans to continue training of trainer models on best international methodologies at a large number of sites to increase the reach of basic education activities. Depending on needs identified in the initial program's mid-term assessment, teacher training activities may begin to address more specific needs and content areas. Teaching

materials may be distributed on interactive teaching techniques that stimulate learning and result in better student performance. Principal contractors/grantees: same as above.

Increase Parent and Community Involvement in Education (\$51,000 FSA). USAID plans to strengthen parent-teacher partnerships in education decision-making that can result in a wide range of activities in support of schools, including collaborative efforts on school infrastructure rehabilitation, management of non-budgetary funding in schools, and inclusion of out-of-school children in the education system. Work with communities will also focus on sharing best practices in community approaches among communities and with education managers to encourage greater acceptance for an enhanced parent/community role. Principal contractors/grantees: same as above.

Strengthen Management Capacity in the Education Sector (\$12,000 FSA). USAID envisions that policy dialogue initiated during the current three-year activity will result in education finance strategy pilots. USAID plans to continue capacity building for educators at the school, district, and regional level along with institutional and structural improvements at the national level. Regional events to share experiences with education finance reform between countries will lead to new pilot activities. Principal contractors/grantees: same as above.

Performance and Results: In FY 2003, the first year of the program, most activities began at 11 principal pilot schools. Training of trainer activities commenced during the summer of 2003, promoting modern teaching methodologies, such as Step-by-Step and Reading and Writing for Critical Thinking to 532 teachers of primary and secondary grades. To date, three Community Education Committees were established to secure partnerships between the school and the community. Twenty-one school administrators received initial training on effective and efficient school management. Policy dialogue was started at the Ministry level through a working group to find solutions to larger education finance issues. Pilot schools will serve as training and resource hubs for clusters of surrounding schools in 2004. School infrastructure rehabilitation by Community Education Committees will begin in the summer of 2004.

USAID supported the National Scholarship Test for the second time in 2003 for over 35,000 applicants competing for 5,085 higher education scholarships. The test is widely regarded as a fair and transparent mechanism, allowing all applicants, including those from rural areas and low-income families to enter universities without having to engage in corrupt practices. Work is currently proceeding toward institutionalizing the test by registering an NGO that will develop and conduct the test in the future using the proceeds from test fees paid by applicants.

USAID also supports the American University of Central Asia, one of the leading institutions in the region, through an endowment managed by Indiana University.

By the end of this program, the joint efforts of schools, education authorities, parents, and communities will result in an increase in attendance, and more children will be able to complete primary and secondary school. Children will study in better physical environments, and better financing mechanisms will increase efficiency of financial flows in the education sector, making more state funding available to meet school needs. Teacher training and capacity building will raise the quality of teaching, which will become evident as more stakeholders express satisfaction with the quality of education in the target areas.

Data Sheet

USAID Mission:	Kyrgyzstan
Program Title:	Cross-Cutting Programs
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	116-0420
Proposed FY 2004 Obligation:	\$1,585,000 FSA
Prior Year Unobligated:	\$1,510,000 FSA
Proposed FY 2005 Obligation:	\$1,499,000 FSA
Year of Initial Obligation:	2001
Year of Final Obligation:	FY 2006

Summary: This cross-cutting program supports all of USAID's strategic objectives, and includes three main components: training and exchanges to support USAID's technical assistance programs; the Eurasia Foundation to strengthen indigenous NGOs; and program development support for cross-cutting evaluations, studies, technical assistance, and management support.

Inputs, Outputs, Activities:

FY 2004 Program:

Participant Training (\$900,000 FSA). Participant training will broaden its support for USAID's ongoing technical assistance in six strategic objective areas: improved environment for the growth of small/medium enterprises; strengthened democratic culture; improved management of critical natural resources; increased utilization of quality primary health care; sources of conflict mitigated in target communities; and improved quality of education. More than 2,000 participants will be trained through participant training projects in Kyrgyzstan during FY 2004. Principal contractor/grantee: Academy for Educational Development (prime).

Conflict Prevention (\$827,193 FSA carryover): Conflict prevention activities will expand to 50 Ferghana Valley and Southern Kyrgyzstan communities. Community targeting also will take into account localities where recently-disempowered elites may attempt to manipulate their constituents to take on violent action in their defense. USAID will continue to focus on coordination with other partners to address issues of unemployment. The USAID program will: more directly discuss and address issues of conflict in communities; place a greater emphasis on social projects and activities to be done in conjunction with infrastructure projects; and make a greater effort to involve women and youth. Principal contractors/grantees: Agricultural Cooperative Development International/Volunteers for Overseas Cooperative Assistance (ACDI/VOCA) and Mercy Corps.

Education (\$523,435 FSA carryover). USAID will support the further dissemination of teacher training programs, strengthen partnerships between schools and community, and provide school administrators and local-level education authorities with training in school management to increase transparency and accountability. Education pilots begun during the initial stage of the project will be analyzed and considered for scaling up. A mid-term assessment will help guide the final year of program implementation and identify areas of focus for a modest follow-on that will complement other donor activity. Support for the National Scholarship test will result in test implementation in spring 2004 and further capacity building for the local test implementing organization. Principal contractors/grantees: Academy for Educational Development (prime) and American Councils for International Education.

Eurasia Foundation (\$600,000 FSA). Eurasia Foundation grants will continue to strengthen local NGOs involved in civil society strengthening, private enterprise development, public administration, and media. The Eurasia Foundation will expand its Ferghana Valley Initiative to provide targeted grants to increase dialogue and cross-border linkages in this conflict-prone region. Principal contractor/grantee: Eurasia Foundation (prime).

Program Support (\$85,000 FSA, \$159,562 FSA carryover). A wide-range of program and personnel support activities will continue. As required, funding will enable USAID to support unanticipated opportunities to advance or reinforce USAID objectives. Program personnel essential to the implementation of program activities will be supported by this category.

FY 2005 Program:

Participant Training (\$700,000 FSA). USAID plans to extend the agreement for the participant training activity in 2005. Based on an evaluation of 10 years of training participants that was conducted in FY 2003, USAID will examine how the program can be re-designed for increased sector impact. Principal contractor/grantee: same as above.

Eurasia Foundation (\$737,373 FSA). The Eurasia Foundation will continue to provide grants on an open-door basis to NGOs in Kyrgyzstan working in the sectors of private enterprise, civil society, and public and policy administration. Principal contractor/grantee: same as above.

Program Support (\$61,998 FSA). A wide-range of program and personnel support activities will continue. As required, funding will enable USAID to support unanticipated opportunities to advance or reinforce USAID objectives. Assessments for continuation of the current strategy are planned for funding. Program personnel essential to the implementation of program activities will be supported by this category.

Performance and Results: In FY 2003 USAID trained over 3,000 Kyrgyz citizens (approximately 50% women) in the areas of enterprise management and finance, NGO development and advocacy, and primary health care. The impact of such training is seen in the following examples:

Using skills and knowledge gained during a study tour in the United States to increase the ability of non-profit organizations in self government, the general manager of the International Fertilizer Development Center established Kyrgyzstan's first agribusinesses association, Jer Azigy, which is comprised of 68 private enterprises. Jer Azigy, one of the key entities involved in the Osh Agri-Business Initiative, is striving to improve the agro-process and export industry by increasing the quality of produce (through the introduction of imported fertilizer and seed and the protection of crops) and addressing the demands of processors and exporters.

Since participating in an in-country training course related to sexually-transmitted infections (STIs), a family doctor from Jalal-Abad began an STI public awareness campaign and as a result noticed an increase in the number of patients that turn to his clinic for treatment of STI symptoms. The doctor estimates that a total of 143 patients have received treatment for STI symptoms at his clinic between September 2002 and March 2003, a figure that is three times the number of patients treated in the prior six months. The family doctor also reported that many patients have been seeking second treatment and bringing their partners to the clinic for treatment.

Following a study tour to Warsaw, Poland related to local budgeting, a Karakol mayor facilitated public budget hearings. As a result, the Karakol City government saw an increase in infrastructure development funding and secured more than \$3,000, which was used to install a safe drinking water system in one micro-region and to purchase public utility equipment such as trash containers.

The Eurasia Foundation awarded 29 grants to Kyrgyzstan NGOs in FY 2003, with an average grant size of nearly \$17,000. Slightly more than half of the grant funds supported private enterprise development, with nearly 40% of the total targeting improvements in civil society and the remainder targeting public policy and administration. During FY 2003, the Eurasia Foundation launched two new grant initiatives, both in the area of private enterprise development. Through one initiative, the grantee Tceonis developed a project to help teens find jobs via an on-line employment database and the establishment of labor exchanges with employers in Bishkek and Tokmok. The grant assisted 1,420 youth find jobs via the database and various employment programs. Subsequently, the Eurasia Foundation provided additional assistance to Tceonis to expand its program into southern Kyrgyzstan.