







Work with the National Bank will concentrate on implementing the Basel Core Principles, which will strengthen supervision and reliability of the banking system. USAID will continue to institute the bank supervision system and to train bank staff. Assistance to the Ministry of State Revenues and Duties (MSRD) to develop a Central Taxpayer Registration system for a new, national taxpayer register will continue and form the basis of tax accounting and compliance control. USAID will fund a macroeconomic advisor to the President's State Advisor to improve the budgeting process and allocation of scarce public investment funds. Principal contractor/grantee: BearingPoint (prime).

USAID will continue training programs for the Tajik judiciary in commercial, civil, and criminal law. These programs foster the development of local training capacity, thereby creating the basis for self-sustaining programs and ongoing institutional development. Assistance in developing commercial law will continue as USAID collaborates with government working groups on drafting a new pledge law and franchising law. Additionally, USAID will provide limited technical assistance to promote land reform, particularly to strengthen leasing arrangements. Principal contractor/grantee: Associates in Rural Development, Inc./Checchi.

**FY 2005 Program:**

Business Skills and Information (\$1,400,000 FSA). The EDP will continue to deliver advisory services and training, focusing on the implementation of IAS in client businesses. Improving agribusiness in the Ferghana Valley and trade links with neighboring countries, including Afghanistan, will be a priority. Principal contractor/grantee: Pragma Corporation.

Access to Capital (\$1,780,000 FSA). Assistance to microfinance institutions will build their capacity to provide services on a sustainable basis. Work with the National Bank will further implement Basel Core Principles to improve supervisory capabilities, including support for the adoption and implementation of compliant legislation. Principal contractor/grantee: BearingPoint.

Improve the Implementation of Laws and Regulations (\$1,520,000 FSA). Assistance for World Trade Organization accession will continue as well as efforts to strengthen partnerships between the government and the business community, as a way of improving the policy and legal conditions for businesses. Efforts to improve cross-border trade in the Ferghana Valley also will continue. Depending on resource levels, USAID may continue a regional land reform project, which provides legal assistance to farmers, enabling them to better exercise and protect their land rights. Principal contractor/grantee: Pragma Corporation.

**Performance and Results:** USAID activities achieved important results in FY 2003. USAID secured approval from the Ministry of Education and the rectors of business universities to introduce USAID-developed IAS courses. This represents a major step forward in developing the next generation of accountants. USAID worked with the Ministry of State Revenues and Duties to develop a new Central Taxpayer Registration system, which will form the basis of tax accounting and compliance control. This important achievement is the first step in actually implementing a taxpayer service unit and developing a single taxpayer identification number that integrates tax registration with that of the social fund and customs procedures. USAID assisted the National Bank of Tajikistan to complete the first implementation phase of FinA (financial analysis) banking supervisory software, a system previously implemented in Kyrgyzstan. The new system will establish a regulatory and reporting framework, enabling the National Bank to recognize potential problems in the banking system before they arise. After conducting a trade mission in May 2003, the EDP project facilitated its first trade deal between Tajik and Afghan businesses. The deal was completed in October 2003 and involved an Afghan builder who purchased \$75,000 in lumber.

Entrepreneurs are currently being introduced to a wide array of modern business methods and practices, which will provide the basis for sustained economic growth in Tajikistan. By the end of the strategic objective, it is expected that microfinance, trade promotion, a modern legal and regulatory environment, the adoption of international accounting standards, and accession to the WTO will expand entrepreneurial opportunities and competitiveness.



activities, including those related to land reform, water, and business support services; and strive for replication of demonstration models and promotion of lessons learned from the demonstration models. Principal contractor/grantee: to be determined.

**FY 2005 Program:**

Water User Association Support (\$1,200,000 FSA). USAID will continue working to support Water User Associations in order to increase their capacity to manage water on the local level and to enact practices that are based on democratic principles. In the second year of the program it is anticipated that more of the project resources will be used in the grants component so that WUA groups can better put into practice the training programs presented in the first year. The implementers will remain the same as in FY 2004. Principal contractor/grantee: PA Government Services and another to be determined.

**Performance and Results:** USAID's performance in the water sector has resulted in several significant achievements over the past two years. Following the transfer of computers to both the central office and field offices of the Ministry of Land Reclamation and Water Resources, USAID conducted an intensive program to train and up-grade the skills of staff within the Ministry. As a result, the staff is using the equipment on a daily basis to collect, store, and exchange water data. In addition, installation and training of an appropriate radio communication system is enabling Ministry staff to improve data monitoring and water allocation decisions, critical to improving the management of water resources.

During FY 2003, using supplemental funding, USAID rehabilitated and provided new pumps, motors, and electrical systems to nine key irrigation pumping stations that serve approximately 20,000 hectares or a population of approximately 60,000 to 70,000 people. The additional water made available from this assistance has helped to minimize under-irrigation and has brought some land back into production. This is a significant step toward increasing crop yields, a direct benefit to farmers and an impetus to economic growth within the target areas.

USAID has also assisted the Tajikistan weather and water forecasting agency to improve the collection, analysis, and exchange of data critical to water resource management. Nine weather and river flow stations have been installed, including five in high altitude regions, to help improve the collection of vital water and weather data for the country. Of particular note is the installation of a meteorological station at the Fedchenko Glacier, located at over 4,000 meters in the remote Pamir Mountains, 500 kilometers from Dushanbe. This site is very important in determining water flows, including flood forecasting, for the entire Central Asian Region. Installing a station at such an altitude presented some unusual challenges that were overcome with the help of President Rakhmanov himself. USAID has made good progress in linking the nine stations into a central network to improve the quality of data collection and to better analyze water and weather data. This resulting information is supplied to other public entities for multiple uses, including weather predictions and water allocation decisions. The information is also being shared with neighboring countries, fostering water and energy cooperation and mitigating potential conflicts.

By program completion, selected irrigation facilities will be upgraded and demonstration models for improved irrigation system management will be in place. Specialists will be trained in effective use and replication of model systems. Improved means of collecting, analyzing, and transmitting weather and water resources data will also be implemented. Finally, a greater number of water user associations will be in place and operating in a more favorable legislative environment.



**FY 2005 Program:**

Accountable Public Institutions (\$1,124,474 FSA). Legal education will continue to be the primary focus of USAID's legal reform efforts through support for clinical education, extra-curricular activities to improve students' advocacy and leadership skills, ethics training, and curriculum reform. USAID's judicial reform program will train judges on international and domestic laws, promote the importance of judicial ethics, and increase judges' access to information. USAID's local government initiative will present new training modules related to citizen involvement, the role of local councils, local governance basics, and capital investment planning. Principal contractors/grantees: Urban Institute and others to be determined.

Civic Organizations (\$1,207,167 FSA). USAID will continue its support to the Network of Civil Society Support Centers (CSSCs) by providing a full-range of services to indigenous civil society organizations. By 2005, USAID will decide whether to shift from supporting the U.S.-based implementing partner or directly supporting the local CSSCs' association. Training will focus on institutional capacity-building and financial management. USAID will provide training and services to indigenous NGOs so that these organizations can serve as advocates for reforms. USAID will provide institutional grant funds to NGOs working with youth, civic rights, and environmental issues. A cadre of local professional lawyers will continue to provide legal services to NGOs. Principal contractors/grantees: IREX (prime), the International Center for Not-for-Profit Law (sub), and Partners for Democratic Change (sub).

Citizen Participation (\$649,198 FSA). Political party work will prepare registered parties for elections and facilitate public forums for party representatives to articulate their positions. Civic advocacy work will attempt to energize citizens to advocate for their personal and collective interests. Principal contractors/grantees: to be determined.

Media and Information (\$1,819,161 FSA). USAID will increase its focus on independent radio stations and newspapers, since these outlets reach a large portion of the population and have not received much donor support. USAID will continue its support to the independent television network. Through television, radio, newspapers, roundtables, trainings, and conferences, USAID will continue educating the Tajik public about human trafficking. USAID's civic education efforts will focus on helping the Ministry of Education to include the course into the official curriculum. Principal contractors/grantees: International Foundation for Election Systems and others to be determined.

**Performance and Results:** The June referendum, which made over 30 amendments to the Constitution, was a litmus test for political motivation in the country. While debate took place between political parties months before the referendum, these discussions attracted little public interest and the flawed nature of the actual referendum met with little public outcry. The ability of the present government to push through the referendum without much opposition does not bode well for the development of a pluralist system or a transfer of power. The new constitution could allow the President to stay in power for another 16 years.

USAID's local government implementer is working with the newly-formed Presidential Working Group to draft local government legislation, which will replace the old Soviet-style centralized governance structure. USAID's civic education textbook is lauded by the Ministry of Education and strongly endorsed by the opposition. Moreover, students and teachers embraced the program wholeheartedly. On the media front, a new independent radio station went on the air in Dushanbe, four years after it first applied for a license.

While USAID experienced mixed results with its programs during FY 2003, there are opportunities for progress. USAID and its partners must seek out ways to energize citizens to advocate for democratic processes and institutions. By program's end, there will be stronger and more sustainable civic organizations; increased availability of information on civic rights and domestic public issues; enhanced opportunities for citizen participation in governance; and more effective, responsive, and accountable public institutions.











**FY 2005 Program:**

Implement In-Service Teacher Training Activities (\$40,000 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. In Tajikistan, literacy appears to be a special problem that may need additional focus. 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 (\$75,000 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 (\$15,000 FSA). USAID envisions that policy dialogue initiated during the current three-year activity will result in policy pilots where new education finance strategies can be brought to scale. USAID plans to continue capacity building for educators at the community 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.

Other activities will address the needs identified in the planned FY 2004 mid-term assessment.

**Performance and Results:** Targeting an initial twenty primary schools, training of trainer activities started during the summer of 2003, introducing modern teaching methodologies for the first time to 362 teachers of primary grades. Supporting this training program, 22 Community Education Committees have been formed by the two principal implementers at the pilot schools to build partnerships between the school and the community. Over 200 school administrators and education authorities received initial training on effective school management and strategic planning. Seventeen pilot schools will serve as training and resource hubs for clusters of surrounding schools starting in 2004, thereby expanding the outreach and impact of the USAID Basic Education program. USAID continues to coordinate efforts with other international entities, including the World Bank, Asian Development Bank, and the U.N. Children's Fund. An agreement on cooperation and coordination of basic education activities was secured with the World Bank to achieve maximum efficiency and geographic overlap of donor efforts.

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.



