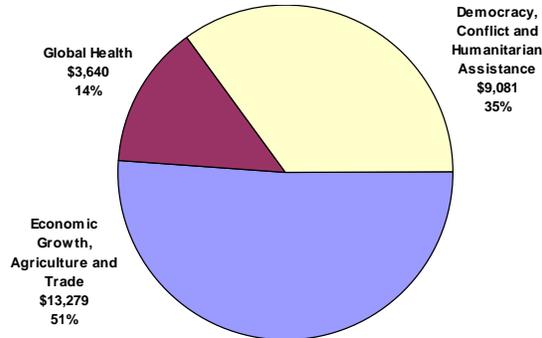
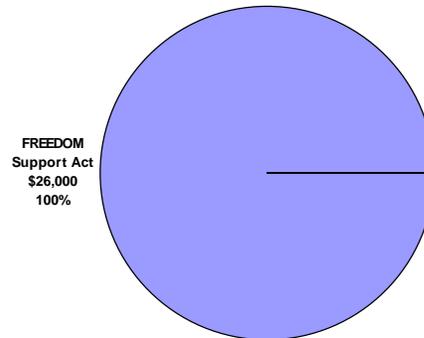


# Kazakhstan

**FY 2006 Assistance by Sector**



**FY 2006 Assistance by Account**



## Objectives and Budget

Objective	SO Number	FY 2004	FY 2005	FY 2006
Small and Medium Sized Enterprise Program	115-0131	12,221	9,100	8,827
Energy and Water	115-0161	1,961	900	872
Strengthened Democratic Culture	115-0211	5,318	5,795	5,621
Conflict Prevention	115-0240	398		
Health and Population	115-0320	4,866	3,750	3,640
Cross-Cutting Programs	115-0420	3,349	1,950	1,500
Transfers		5,229	5,195	5,540
<b>Total (in thousands of dollars)</b>		<b>33,342</b>	<b>26,690</b>	<b>26,000</b>

**Mission Director:** George Deikun

## Kazakhstan PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2003 Actual	FY 2004 Actual	FY 2005 Current	FY 2006 Request
FREEDOM Support Act	43,989	33,342	26,690	26,000
<b>Total Program Funds</b>	<b>43,989</b>	<b>33,342</b>	<b>26,690</b>	<b>26,000</b>

### STRATEGIC OBJECTIVE SUMMARY

115-0131 Small and Medium Sized Enterprise Program				
FSA	13,680	12,221	9,100	8,827
115-0161 Energy and Water				
FSA	2,410	1,961	900	872
115-0211 Strengthened Democratic Culture				
FSA	6,250	5,318	5,795	5,621
115-0240 Conflict Prevention				
FSA	0	398	0	0
115-0320 Health and Population				
FSA	6,470	4,866	3,750	3,640
115-0420 Cross-Cutting Programs				
FSA	3,358	3,349	1,950	1,500
TRANSFER				
FSA	11,821	5,229	5,195	5,540

Mission Director,  
George Deikun

## Data Sheet

<b>USAID Mission:</b>	Kazakhstan
<b>Program Title:</b>	Small and Medium Sized Enterprise Program
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	115-0131
<b>Status:</b>	Continuing
<b>Planned FY 2005 Obligation:</b>	\$9,100,000 FSA
<b>Prior Year Unobligated:</b>	\$3,060,000 FSA
<b>Proposed FY 2006 Obligation:</b>	\$8,827,000 FSA
<b>Year of Initial Obligation:</b>	2001
<b>Estimated Year of Final Obligation:</b>	2007

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

### Inputs, Outputs, Activities:

**FY 2005 Program:** Enhance Participation in Global Trade and Investment: (\$895,000 FSA). USAID's Trade Facilitation and Investment Activity will continue working with business associations and the Government to improve the business environment. The project will form partnerships with associations in eight new cities to train staff in administrative and advocacy skills, and to transfer methodologies for reducing investment constraints. The project will work with the GOK to prepare for World Trade Organization (WTO) accession by bringing Kazakhstan's laws and regulations into compliance with WTO requirements and assisting in removal of trade barriers. Principal contractor/grantee: Pragma Corporation (prime).

Improve Economic Policy and Governance (\$1,939,000 FSA, \$1,011,000 FSA carryover). USAID will assist the Ministry of Economy and Budget Planning (MEBP) to strengthen program budgeting at MEBP and line ministries. Work with the Accounts Committee will continue to bring public audit to international standards over the next six years. Continued support to Parliament will strengthen economic and policy analysis and extend the Fiscal Analysis Unit's services to both the Senate and Majilis. Limited assistance will be provided to the Ministry of Finance in the areas of tax policy and administration. USAID advisors will work with the Statistics Agency to improve quality and analysis of SME data. Assistance will be provided to Kazakhstan's Development Fund to prepare sound investment strategies. Principal contractor/grantee: TBD (prime).

Improve Private Sector Growth (\$2,960,000 FSA). USAID's Enterprise Development Project (EDP) will expand opportunities for businesses to grow and become more competitive. As a result, client firms' sales and productivity will increase. The project will continue to support the Certified International Professional Accountant training/testing/certification program. Principal contractor/grantee: Pragma Corporation (prime).

Enhance the Financial Sector's Contribution to Economic Growth (\$1,775,000 FSA, \$34,000 FSA carryover). USAID's Financial Sector Initiative will end this year. It is expected that the national mortgage guarantee fund will be fully operational and the credit bureau will begin issuing reports. Legislation on securitization will be completed, allowing increased access to finance for investment. USAID will continue support to the Small Enterprise Assistance Fund to make equity investments to promising local businesses. USAID will provide technical assistance and funds for on-lending to microfinance institutions to help them strengthen their capacity to provide financial services to the poor. Support for improved corporate governance will help develop securities markets and solidify Kazakhstan's leadership in the provision of financial services. Principal contractors/grantees: Pragma Corporation (prime), Small Enterprise Assistance Fund (prime), Agricultural Cooperative Development International/Volunteers for Overseas Cooperative Assistance (ACDI/VOCA) (prime), TBD.

Expand and Improve Access to Economic and Social Infrastructure (schools and higher education institutions) (\$1,531,000 FSA, \$2,015,000 FSA carryover). USAID will continue strengthening business and economics programs in higher education institutions. USAID will make business and economics programs more responsive to the needs of businesses and the economy, create sustainable faculty development and advocacy mechanisms, and help move educational institutions towards international standards. In partnership with Junior Achievement Worldwide (JA), USAID will provide business and economics courses to 235,000 students at 900 schools and build administrative capacity in the JA local chapters. Principal contractors/grantees: JA (prime), TBD.

**FY 2006 Program:** Enhance Participation in Global Trade and Investment (\$1,192,000 FSA). Kazakhstan is expected to achieve World Trade Organization (WTO) accession by 2006, and the project will deliver post-accession training and technical advice. USAID will continue strengthening advocacy capacity of business associations. Principal contractor/grantee: Pragma Corporation (prime).

Improve Economic Policy and Governance (\$1,132,000 FSA). USAID will work with the Anti-Monopoly Agency to implement regulations and guidelines designed to remedy unfair competitive practices. Principal contractor/grantee: TBD.

Improve Private Sector Growth (\$3,505,000 FSA). Support will be provided to expand opportunities for businesses to grow and become more competitive. Principal contractor/grantee: Pragma Corporation (prime) or TBD.

Enhance the Financial Sector's Contribution to Economic Growth (\$1,967,000 FSA). Assistance will be provided to the Financial Supervision Agency to strengthen consolidated supervision and to the National Bank to strengthen monetary management. USAID will continue providing support to build the capacity of microfinance institutions and improve corporate government practices. Principal contractors/grantees: TBD (prime), ACDI/VOCA (prime), TBD.

Expand and Improve Access to Economic and Social Infrastructure (\$1,031,000 FSA). The program will continue strengthening economics and business programs in secondary and higher education institutions. Principal contractors/grantees: JA (prime), TBD.

**Performance and Results:** USAID's program supports strengthening SMEs' competitiveness and supports policy and legal changes to improve the business environment. In FY 2004, mortgage lending surpassed \$564 million; this is up from \$200 million in the previous year. USAID technical assistance aided the issuance of \$160 million in mortgage backed securities, helping meet the demand of privatized pension funds to diversify their portfolios and enabling lending institutions to expand their mortgage portfolios. As a result of USAID-funded loan officers training implemented by the EBRD, the outstanding loan portfolio of participating banks grew by 90% to \$236 million, and the number of outstanding loans grew by 17,334 to 44,517. The USAID-supported Quality Management Center (QMC) now provides services to 57 clients; eight were fully ISO 9001 certified. This service resulted in a major oil consortium's agreement to fund QMC's services for 27 clients at a cost of \$5,000 per client. With the assistance of our business advisors, 103 trade deals worth more than \$41 million were completed during the past year. By program's end, SMEs will be more competitive and reforms in the regulatory and legal environment will help foster their further development. Entrepreneurs will have greater access to credit and modern business skills to start up and run successful businesses. Kazakhstan will have acceded to the WTO and have a compliant technical standards regime. There will be greater economic diversification and decreased disparity between urban and rural areas. Business associations will be effective voices for policy change and capable of providing quality services to members. There will be a transparent budgeting and spending process, where government is accountable to the public. Kazakhstan will have capacity to conduct sound economic policy and the Financial Supervision Agency will be an effective regulator of the financial sector.

## US Financing in Thousands of Dollars

Kazakhstan

115-0131 Small and Medium Sized Enterprise Program	<b>FSA</b>
<b>Through September 30, 2003</b>	
Obligations	28,415
Expenditures	15,657
Unliquidated	12,758
<b>Fiscal Year 2004</b>	
Obligations	10,349
Expenditures	14,482
<b>Through September 30, 2004</b>	
Obligations	38,764
Expenditures	30,139
Unliquidated	8,625
<b>Prior Year Unobligated Funds</b>	
Obligations	3,060
<b>Planned Fiscal Year 2005 NOA</b>	
Obligations	9,100
<b>Total Planned Fiscal Year 2005</b>	
Obligations	12,160
<b>Proposed Fiscal Year 2006 NOA</b>	
Obligations	8,827
Future Obligations	8,600
Est. Total Cost	68,351

## Data Sheet

<b>USAID Mission:</b>	Kazakhstan
<b>Program Title:</b>	Energy and Water
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	115-0161
<b>Status:</b>	Continuing
<b>Planned FY 2005 Obligation:</b>	\$900,000 FSA
<b>Prior Year Unobligated:</b>	\$252,000 FSA
<b>Proposed FY 2006 Obligation:</b>	\$872,000 FSA
<b>Year of Initial Obligation:</b>	2001
<b>Estimated Year of Final Obligation:</b>	2007

**Summary:** USAID's energy and water program is helping Kazakhstan improve economic policy and governance, increase private sector growth, and expand and improve access to economic and social infrastructure. The Clean Energy and Water for Poor Presidential Initiatives are supported via activities noted below.

### Inputs, Outputs, Activities:

**FY 2005 Program:** Improve Economic Policy and Governance (\$650,000 FSA, \$100,000 FSA carryover). A significant recent development in the regional electric power sector is the Government of Kazakhstan's (GOK) interest in making investments in the hydropower infrastructure of neighboring Kyrgyzstan in order to offset projected energy shortages in southern Kazakhstan. The shortage is due to projections that indicate significant long-term growth in the Kazakh economy and an associated increase in energy demands. In fact, the progress that Kazakhstan is making in the commercialization of its energy markets will have a major impact on the entire Central Asian Region in how electricity is produced, transmitted, purchased, and sold. With these changes, greater commercial pressure will be exerted on managing water resources for hydropower, rather than for irrigation use. This will change the way that water is released from reservoirs in the region to downstream countries like Kazakhstan, impacting agricultural production. USAID will assist the GOK in regional energy trading by supporting the institutions that will implement trade agreements and negotiate regional agreements based on international standards. Principal contractor/grantee: TBD (prime).

Increase Private Sector Growth (\$250,000 FSA, \$152,000 FSA carryover). A Development Credit Authority (DCA) program in the energy sector was recently initiated by USAID. The program will provide partially guaranteed loans to private firms or other entities to implement energy savings measures. In addition to loan guarantees, FY 2005 funding will support technical assistance to potential borrowers for preparation of the documentation required by the lending institution. The lending institution will also benefit from USAID assistance by improving its capacity to evaluate the viability of loan proposals for energy efficiency projects. An outreach component will be aimed at banks, industry, and other potential participants to further expand private sector investment in energy conservation in Kazakhstan. USAID will also explore other Global Development Alliance (GDA) and DCA opportunities. Principal contractors/grantees: PA Consulting (prime), TBD (prime).

**FY 2006 Program:** Improve Economic Policy and Governance (\$872,000 FSA). Through a program for regional cooperation in energy and water, USAID will continue to work with Kazakhstan authorities on bilateral and multilateral agreements that support the development of regional energy markets and water-sharing. This may include activities related to energy efficiency and participation in the Central Asia Cooperation Organization's Water and Energy Consortium. Principal contractor/grantee: TBD (prime).

**Performance and Results:** USAID assistance in the energy sector in the areas of policy, transparency and private sector investment was made more effective by the commitment of the Government to further the process of market-based reforms. For example, USAID technical assistance on electricity retail market issues contributed to the adoption of the Government's protocol, Concept of Further Development

of Market Relations in the Electric Power Sector of the Republic of Kazakhstan. President Nazarbayev signed a new electricity law based on these progressive concepts. The law promotes market relations in the electricity wholesale and distribution sectors. Another example is the result of USAID-sponsored public hearings that were held in the city of Kokshetau. The Agency for Regulation of Natural Monopolies (ARNM) in Akmola Region conducted public hearings to discuss the Regional Electric Company's mid-term tariff application. These hearings were conducted in compliance with public hearing rules stipulated by the ARNM. The hearings followed recommendations made by USAID consultants, and the energy policy proposed by USAID was adopted and implemented. The hearing contributed to greater transparency in setting tariffs and deeper understanding of energy sector issues by the public, an important step forward for Kazakhstan and the fight against corruption by public officials. It is expected that this practice will be accepted throughout the country.

USAID created a DCA program providing a loan portfolio guarantee for energy efficiency projects with a local, privately-owned bank, leveraging \$754,500 from USAID for a total of \$15 million in loans funds. In the first two months of the program, applications have been received for consideration of approximately \$5 million worth of loans.

Ongoing water sector initiatives in Kazakhstan are focused on facilitating increased regional collaboration. USAID recently installed a unified communications network, utilizing meteorburst technology, to enable the rapid distribution of critical, real-time weather and water resource information among participating countries in the region. Kazakhstan officials earlier agreed to allow the master station for the regional network on their territory even though it meant budget resources will be required for its operation and maintenance. The GOK has committed to these costs and it is now included in the annual budget. An important step was taken this year when representatives of the National Weather Services in Central Asia signed an agreement to share all data that is collected, processed, and communicated with equipment provided by USAID.

In late FY 2004, USAID initiated a limited program of support for Water User Associations (WUAs) in the heavily irrigated region of southern Kazakhstan. The program will provide training to WUA staff on how to operate as a democratic non-governmental organization (NGO) that uses open and transparent business practices, as well as technical training on improved water management. Additionally, USAID is supporting a collaborative project with the Israeli development assistance agency, MASHAV. Located in the Aral Sea wetlands region, the project is focused on improving fisheries and agriculture, the two primary occupations of inhabitants of the Syr Darya Delta Region. In FY 2004, MASHAV and USAID co-funded improvements to a fish processing facility through a local NGO made up of fishermen. This is the largest self-sustaining NGO in Kazakhstan and the facility will help it maintain the quality of its fish catch, most of which is marketed outside the region.

By program completion, demonstration models will achieve significant savings from improved heating efficiency and provide examples of oilfield clean-up. Additionally, specialists will be trained to effectively utilize and replicate these models. Different entities will take advantage of DCA loan availability to make investments in energy efficiency upgrades. An improved system of collecting, analyzing, and transmitting water data will be fully implemented. A greater number of WUAs will be in place and operating in a more favorable legislative environment. The resulting increases in crop yields, productivity, and income will contribute to private sector growth. Kazak water and energy specialists and policy makers will have implemented policies and practices aimed at improving regional cooperation over shared water and energy resources through the use of internationally-recognized agreements and standards.

## US Financing in Thousands of Dollars

Kazakhstan

115-0161 Energy and Water	DCA	FSA
<b>Through September 30, 2003</b>		
Obligations	0	5,140
Expenditures	0	2,306
Unliquidated	0	2,834
<b>Fiscal Year 2004</b>		
Obligations	754	1,425
Expenditures	0	2,336
<b>Through September 30, 2004</b>		
Obligations	754	6,565
Expenditures	0	4,642
Unliquidated	754	1,923
<b>Prior Year Unobligated Funds</b>		
Obligations	0	252
<b>Planned Fiscal Year 2005 NOA</b>		
Obligations	0	900
<b>Total Planned Fiscal Year 2005</b>		
Obligations	0	1,152
<b>Proposed Fiscal Year 2006 NOA</b>		
Obligations	0	872
Future Obligations	0	1,000
Est. Total Cost	754	9,589

## Data Sheet

<b>USAID Mission:</b>	Kyrgyzstan
<b>Program Title:</b>	Conflict Prevention
<b>Pillar:</b>	Democracy, Conflict and Humanitarian Assistance
<b>Strategic Objective:</b>	116-0240
<b>Status:</b>	New in FY 2004
<b>Planned FY 2005 Obligation:</b>	\$1,210,000 FSA
<b>Prior Year Unobligated:</b>	\$42,000 FSA
<b>Proposed FY 2006 Obligation:</b>	\$950,000 FSA
<b>Year of Initial Obligation:</b>	2004
<b>Estimated Year of Final Obligation:</b>	2008

**Summary:** USAID's conflict mitigation activities are addressing conflict by identifying vulnerable communities, working to build consensus around sources of tension, and then tempering those sources through community infrastructure and social projects. Through this approach, USAID is addressing both the root and immediate causes of potential conflict through its conflict mitigation objective.

### Inputs, Outputs, Activities:

**FY 2005 Program:** Improve Community-Based Reconciliation Efforts (\$1,210,000 FSA, \$42,000 FSA carryover). Conflict prevention activities under the Community Action Investment Program (CAIP) will close during FY 2005. Emphasis is on sustainability training and plans for community groups to continue working on community mobilization and prioritization after USAID assistance ends. Final community projects under the CAIP program will be completed, and maintenance and strategic plans for implementation will be coordinated between communities and local authorities. The Peaceful Communities Initiative (PCI), extended for another two years, will expand to ten additional southern Kyrgyzstan border communities in the Ferghana Valley, with a new emphasis on regions where the potential for conflict is most pressing along the Uzbekistan border. Interventions with existing community clusters on the Kyrgyz border in the Ferghana Valley will continue towards self-sustainability and project graduation, building community capacity to mobilize funds in order to complete projects. Economic development and job creation will continue to target young people and focus on coordination with other partners to address issues of unemployment. These plans include trainings that place a greater emphasis on working with local authorities and the private sector as a means to advocate for community priorities. Principal contractors/grantees: Mercy Corps International (prime) and TBD (prime).

Through a competitive process, USAID will issue a new award in FY 2005, taking a more holistic approach to conflict prevention programming by combining community development with other key democracy programs such as media and information dissemination, local government reform, and civil society strengthening. Additionally, the community development program will focus on key cross-cutting sectors such as economic development, and water and energy resource management. Principal contractors/grantees: Mercy Corps International (prime) and TBD (prime).

**FY 2006 Program:** Improve Community-Based Reconciliation Efforts (\$950,000 FSA). During FY 2005, USAID will phase out CAIP and will begin a new program on expanded community mobilization. This program will focus on: community priorities; local government training and advocacy; and increased citizen participation, with a continuing program on cross-border mobilization in cluster communities where conflict vulnerability is likely to be much higher. The number of total beneficiaries is expected to reach approximately 300,000 during the life of the program. Principal contractor/grantees: TBD (prime).

**Performance and Results:** Kyrgyzstan's conflict prevention activities are focused in the south, where tensions run especially high due to: closed international borders restricting trade; disputes resulting from recent land reform measures; a general lack of information; government control of media; unemployment; manipulation by political and economic elites; and ethnically-motivated tensions in mixed areas such as the Ferghana Valley. At the end of FY 2004, USAID was active in 52 communities in southern Kyrgyzstan, including border communities. Almost 750,000 people had directly benefited from USAID's

programs through over 105 social and infrastructure projects completed during the fiscal year. Despite a perceived lack of resources, local authorities are contributing to USAID's projects in southern Kyrgyzstan, as citizens improve their ability to advocate for their interests. Over 30 projects were initiated, funded, and overseen by community members without USAID funding in FY 2004, far exceeding USAID expectations of eight projects. USAID-funded projects have resulted in 1,281 short-term and 5,719 long-term jobs since program inception. Three semi-annual conflict polls have been conducted and show a slight rise in tensions in USAID-assisted communities and overall in Kyrgyzstan. However satisfaction with the delivery of social and public services in these communities is rising overall and meets USAID targets. While results for percentage of cost share in USAID projects are the same as the baseline year, communities are initiating a far greater number of projects than USAID expected without USAID or other donor assistance. These projects, totaling \$132,586 this year, utilize skills honed by USAID in prioritization, participatory decision making, and transparent procurement systems. By program's end, USAID expects a growing trend of target communities reporting lessened tension or resolved conflicts, strengthened community participation, and improved satisfaction with local service delivery.

## US Financing in Thousands of Dollars

Kazakhstan

115-0240 Conflict Prevention	<b>FSA</b>
<b>Through September 30, 2003</b>	
Obligations	0
Expenditures	0
Unliquidated	0
<b>Fiscal Year 2004</b>	
Obligations	357
Expenditures	296
<b>Through September 30, 2004</b>	
Obligations	357
Expenditures	296
Unliquidated	61
<b>Prior Year Unobligated Funds</b>	
Obligations	41
<b>Planned Fiscal Year 2005 NOA</b>	
Obligations	0

<b>Total Planned Fiscal Year 2005</b>	
Obligations	41
<b>Proposed Fiscal Year 2006 NOA</b>	
Obligations	0
Future Obligations	0
Est. Total Cost	398

## Data Sheet

<b>USAID Mission:</b>	Kazakhstan
<b>Program Title:</b>	Health and Population
<b>Pillar:</b>	Global Health
<b>Strategic Objective:</b>	115-0320
<b>Status:</b>	Continuing
<b>Planned FY 2005 Obligation:</b>	\$3,750,000 FSA
<b>Prior Year Unobligated:</b>	\$2,000,000 CSH; \$217,000 FSA
<b>Proposed FY 2006 Obligation:</b>	\$3,640,000 FSA
<b>Year of Initial Obligation:</b>	2001
<b>Estimated Year of Final Obligation:</b>	2007

**Summary:** USAID's quality primary health care (PHC) objective is to help Kazakhstan reform its health sector by creating quality, client-oriented, cost-effective primary health care services and addressing maternal, child, and reproductive health issues. A change in the Minister of Health signaled a renewed interest in applying USAID's models on a national level. USAID provides essential technical assistance and support to the country's efforts to control infectious diseases like HIV/AIDS and tuberculosis (TB), with increasing efforts to reduce the spread of multi-drug resistant TB (MDR TB).

### Inputs, Outputs, Activities:

**FY 2005 Program:** Enhance Health Systems Capacity (\$1,716,000 FSA, \$187,000 FSA carryover, \$2,000,000 CSH prior year recoveries). The Quality Public Health and Primary Health Care Program (QPHPHC) will provide technical assistance, training, equipment, and commodities to increase access to and utilization of quality primary health care. The activity will focus on improving primary health care delivery, increasing the quality of clinical care and the use of evidence-based medicine, and extending health care financing and information systems. Integration of infectious disease services within primary health care and at the central rayon hospital level will be piloted. QPHPHC will use Child Survival and Health (CSH) funds carried over from FY 2004 to build on prior efforts to increase access to quality family planning information and services to reduce Kazakhstan's elevated abortion rate. Post-abortion care models will be tested and related costs evaluated. Safe Motherhood/Promoting Effective Prenatal Care pilot projects will be replicated in additional oblasts to improve the quality of hospital care and increase the population's awareness of maternal and child health issues. Evidence-based prenatal care guidelines will be developed. QPHPHC will extend geographic coverage of the Integrated Management of Childhood Illnesses (IMCI) approach and communication campaigns on diarrhea, breastfeeding, acute respiratory illnesses, and antibiotic use. In collaboration with other donors, interventions on early childhood development and nutrition will be developed. USAID will build on its current Global Development Alliance, and establish a public-private partnership at an additional pilot site. Support will continue through USAID's health partnership program to the regional undergraduate medical and nursing education activities to train high quality graduates to meet the health care needs of the population. Principal contractors/grantees: American International Health Alliance (prime), TBD (prime).

Reduce Transmission and Impact of HIV/AIDS (\$1,000,000 FSA, \$30,000 FSA carryover). USAID's new Central Asian Program on AIDS Control and Intervention Targeting Youth and High-Risk Groups (CAPACITY) will assist with implementation of Kazakhstan's HIV grant from the Global Fund to Fight AIDS, TB, and Malaria (GFATM), promoting transparency and efficiency. Technical assistance will strengthen institutional capacity of non-governmental organizations (NGOs) and training and other activities will build skills in counseling, testing, and antiretroviral treatment. The U.S. Centers for Disease Control and Prevention (CDC) will continue to develop the country's HIV surveillance and blood screening systems, including initial work on an electronic surveillance system, while a third group of Kazakh professionals will join others in CDC's Applied Epidemiology Training Program (AETP). Principal contractors/grantees: John Snow, Inc. (JSI)(prime), CDC (prime), Population Services International (PSI) (sub), Abt Associates (sub), International HIV/AIDS Alliance (sub).

Prevent and Control Infectious Diseases of Major Importance (\$1,034,000 FSA). The TB Control Program will complete a range of assessments on laboratory capacity, drug management, community mobilization, and policy. Results will improve the quality of implementation of the WHO approach to TB control known as Directly-Observed Treatment Short-Course (DOTS) within a reforming health care system. A best practices pilot site, along with a national training center, will be established in Taldy-Korgan City, the capital of Almaty Oblast, while the Zhetisuiskiy TB Dispensary laboratory in Almaty City will be equipped to perform drug sensitivity testing to ensure proper use of second-line drugs. A Training Center in the Karaganda prison pilot site will be established to promote expansion of the DOTS approach. A high level working group will be established to solidify policy changes and improve coordination. USAID will provide technical assistance to prepare a revised TB application for the fifth grant round of the GFATM. Principal contractors/grantees: CDC (Prime), Project HOPE (prime), Academy for Educational Development (prime), Johns Hopkins University Bloomberg School of Public Health (sub), JSI (sub), New Jersey Medical School National TB Center (sub).

**FY 2006 Program:** Enhance Health Systems Capacity (\$1,313,000 FSA). QPHPHC will continue to assist the GOK implement its national health reform strategy. The program will integrate evidence-based services into primary health care, assist the country to move to a guaranteed benefits package and improve the quality of services. Improved quality of care and the introduction of new models of service delivery, such as IMCI, will continue to enhance maternal, child, and reproductive health. The project will continue activities to develop and expand family planning programs to reduce Kazakhstan's high abortion rate. Principal contractor/grantee: TBD (prime).

Reduce Transmission and Impact of HIV/AIDS (\$1,286,000 FSA). USAID's CAPACITY project will continue to implement activities as described above. Pilots developed on the prevention of mother to child transmission may be replicated. CDC will intensify efforts to train officials to use data from HIV surveillance. CDC's Applied Epidemiology Training Program will continue. Principal contractors/grantees: JSI (prime), PSI (prime), CDC (prime), Abt Associates (sub), and International HIV/AIDS Alliance (sub).

Prevent and Control Infectious Diseases of Major Importance (\$1,041,000 FSA). The TB program will continue training on quality control of laboratories, monitoring, and primary care, and at the Prison System Training Center in Karaganda. The protocols developed by the USAID pilot project on MDR TB will be recommended and potentially adopted for use in other sites treating MDR TB. A small grants program will promote operational research. Principal contractors/grantees: Project HOPE (prime), CDC (prime), and Academy for Educational Development (prime), Johns Hopkins University Bloomberg School of Public Health (sub), JSI (sub), New Jersey Medical School National TB Center (sub).

**Performance and Results:** Increased momentum in USAID's efforts to address health sector reform in Kazakhstan resulted in significant achievements in FY 2004. The President's call for reform, a doubling of the health budget, and the passage of nine key pieces of legislation provided a unique opportunity to introduce strategic reforms and roll pilots out nationally. USAID programs introduced evidence-based medical practices, worked to improve medical and nursing education, and responded to specific opportunities to address infant, child, and maternal health issues. One-third (37%) of the population was voluntarily enrolled in primary health care, and 31.3% of health providers are now paid under the new finance systems. Technical assistance enabled the country to produce valid, scientifically-sound surveillance data on the status of the HIV/AIDS epidemic, while TB results also demonstrated progress, with the registered incidence of TB decreased by 2.8%. A prison pilot showed dramatic impact, with the percentage of ex-prisoners registered in the civilian TB program increasing due to technical assistance from 8.4% in 2001 to 64.5% in 2003. USAID assistance led to Kazakhstan's successful \$22.5 million application on HIV/AIDS to the GFATM, indicating the potential to provide a needed response to stem the epidemic. USAID's health programs in Kazakhstan are designed to increase the use and quality of primary health care services for underserved populations. In so doing, USAID will meet the challenge posed by the double burden of infectious and non-infectious diseases that increasingly affects the people of Kazakhstan.

## US Financing in Thousands of Dollars

Kazakhstan

115-0320 Health and Population	CSH	ESF	FSA
<b>Through September 30, 2003</b>			
Obligations	0	996	41,193
Expenditures	0	996	35,856
Unliquidated	0	0	5,337
<b>Fiscal Year 2004</b>			
Obligations	0	0	6,927
Expenditures	0	0	6,037
<b>Through September 30, 2004</b>			
Obligations	0	996	48,120
Expenditures	0	996	41,893
Unliquidated	0	0	6,227
<b>Prior Year Unobligated Funds</b>			
Obligations	2,000	0	217
<b>Planned Fiscal Year 2005 NOA</b>			
Obligations	0	0	3,750
<b>Total Planned Fiscal Year 2005</b>			
Obligations	2,000	0	3,967
<b>Proposed Fiscal Year 2006 NOA</b>			
Obligations	0	0	3,640
Future Obligations	0	0	4,240
Est. Total Cost	2,000	996	59,967

## Data Sheet

<b>USAID Mission:</b>	Kazakhstan
<b>Program Title:</b>	Cross-Cutting Programs
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	115-0420
<b>Status:</b>	Continuing
<b>Planned FY 2005 Obligation:</b>	\$1,950,000 FSA
<b>Prior Year Unobligated:</b>	\$1,730,000 FSA
<b>Proposed FY 2006 Obligation:</b>	\$1,500,000 FSA
<b>Year of Initial Obligation:</b>	2001
<b>Estimated Year of Final Obligation:</b>	2007

**Summary:** This cross-cutting program supports all of USAID's strategic objectives, and includes four main components: training and exchanges to support USAID's technical assistance programs; the Eurasia Foundation to strengthen indigenous non-governmental organizations (NGOs); community connections to enhance public diplomacy; and program development support for cross-cutting evaluations, technical assistance, management needs, public outreach, and incorporation of perspectives from religious leaders into programming.

### Inputs, Outputs, Activities:

**FY 2005 Program:** Participant Training Program (\$600,000 FSA, \$400,000 FSA carryover). USAID will continue Participant Training to complement ongoing technical assistance in six strategic objective areas: improved environment for growth of small and medium enterprises (SMEs); strengthened democratic culture; improved management of critical natural resources; increased utilization of quality primary health care; mitigated sources of conflict in target communities; and improved quality of education. More than 3,500 participants will be trained through Participant Training activities in Kazakhstan during FY 2005. USAID support will include introduction of the Human and Institutional Capacity Development (HICD) approach in the Mission's portfolio, with the initiation of a pilot HICD activity focused on Kazakhstan's Accounts Committee. Principal contractor/grantee: Academy for Educational Development (AED) (prime).

Community Connections (\$500,000 FSA, \$600,000 FSA carryover). USAID will begin implementing Community Connections, after the program's transfer from the State Department is finalized. The broad public diplomacy goal of the Community Connections program is to contribute to economic and democratic reform and to promote mutual understanding in Eurasia through exposure to U.S. society and personal connections with Americans. Through local community host organizations in the United States, approximately 100 men and women entrepreneurs, local government officials, legal professionals, non-governmental organization leaders, and other professionals from Eurasia will be provided with a three to five week training program in the United States tailored to their professional interests. Principal contractor/grantee: TBD (prime).

Eurasia Foundation (\$500,000 FSA). The Eurasia Foundation will target approximately 20 NGOs that contribute to private sector development and civil society strengthening through small grants. The NGOs will also benefit from institutional strengthening through intensive planning, reporting, and financial management training. Principal contractor/grantee: Eurasia Foundation (prime).

Program Support (\$350,000 FSA, \$677,000 FSA carryover, \$53,000 FSA prior year recoveries). A wide range of program support will continue to be funded, including evaluations, technical assistance, management needs, and public outreach. Additionally, program personnel essential to implementation of program activities will be supported. As required, funding will enable USAID to take advantage of unanticipated opportunities to advance or reinforce USAID strategic objectives. Furthermore, USAID/CAR will expand outreach efforts to engage traditional religious leaders in the region. The goal of this initiative is to better inform religious leaders about USAID programs and to bridge the gap with

traditional community leaders whose views, in the past, have not generally been incorporated into USAID programmatic decision making. In accomplishing this goal, USAID will conduct tours of its programs for religious leaders and the media, hold regular representational events with religious leaders, and work specifically with partners to incorporate religious leaders into development activities. Small project assistance will enable Peace Corps Volunteers to conduct low-cost, grassroots sustainable development activities. Principal contractor/grantee: N/A.

**FY 2006 Program:** Participant Training Program (\$400,000 FSA). USAID will continue Participant Training as a means of complementing ongoing activities across its various strategic objectives. In FY 2006, USAID expects to target the same number of Kazakhstani participants as in FY 2005. Simultaneously, through its Participant Training award, USAID/CAR will begin working with a number of yet-to-be-determined organizations through multiple, targeted interventions aimed at developing institutional capacity and increasing the likelihood of organizational sustainability. Principal contractor/grantee: AED (prime).

Community Connections (\$580,000 FSA). USAID will continue the Community Connections program, with emphasis on human and institutional strengthening in support of its strategic objectives. Approximately 100 men and women are expected to receive training in the United States through the program. Principal contractor/grantee: TBD (prime).

Program Support (\$520,000 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. Additionally, religious outreach efforts will continue and be expanded, through tours for and representational events with religious leaders. Small project assistance will enable Peace Corps Volunteers to conduct low-cost, grassroots sustainable development activities. Principal contractor/grantee: N/A.

**Performance and Results:** In FY 2004, USAID trained over 2,700 Kazakhstani citizens (approximately 60% women) through its Participant Training Program. Participant training focused on small and medium enterprise development, NGO advocacy, business education, and health care management. Interventions such as “Mass Media and Public Relations Technology: Ways to Encourage Youth to Make Informed Choices in Elections” and “YISK Student Council Forum” continued to support USAID’s cross-cutting youth objective, while programs such as “Democracy and Healthy Lifestyles Training for Adolescent Youth Summer Camp” and “Modern Approaches to Reproductive Health” were instrumental in supporting USAID’s conflict mitigation initiative.

The Eurasia Foundation awarded 27 grants in Kazakhstan in FY 2004, with an average grant size of \$23,000, including \$226,000 in funds raised from non-USG sources. More than half of these funds supported civil society, public administration, and media, with nearly 30% targeting private enterprise development. One grant resulted in launching of phase two of the Kazakhstan Ecotourism Initiative, aimed at raising capital inflows to remote regions. In addition, Eurasia Foundation, in cooperation with Karachaganak Petroleum Operating, funded a second set of grants to three micro-finance institutions in western Kazakhstan, resulting in 100% loan payback and creation of 90 jobs.

USAID embarked on a religious outreach program in FY 2004. Through this program, in January, USAID/CAR escorted nine Islamic leaders from Shymkent Province on a tour of USAID-funded projects, including a Project Hope-funded education activity supporting a provincial TB dispensary, a Community Action Investment Program potable water project, Internews-supported independent media outlets, and an International Organization for Migration Women’s Resource Center seeking to prevent human trafficking. This tour enabled religious leaders to learn about a variety of USAID programs in the Shymkent Region and began the process of engaging religious representatives in programmatic dialogue. Several tour participants volunteered to disseminate information on USAID programs through local media organizations serving their Muslim constituencies in the province.

## US Financing in Thousands of Dollars

Kazakhstan

115-0420 Cross-Cutting Programs	ESF	FSA
<b>Through September 30, 2003</b>		
Obligations	279	28,719
Expenditures	279	24,832
Unliquidated	0	3,887
<b>Fiscal Year 2004</b>		
Obligations	0	2,354
Expenditures	0	3,596
<b>Through September 30, 2004</b>		
Obligations	279	31,073
Expenditures	279	28,428
Unliquidated	0	2,645
<b>Prior Year Unobligated Funds</b>		
Obligations	0	1,730
<b>Planned Fiscal Year 2005 NOA</b>		
Obligations	0	1,950
<b>Total Planned Fiscal Year 2005</b>		
Obligations	0	3,680
<b>Proposed Fiscal Year 2006 NOA</b>		
Obligations	0	1,500
Future Obligations	0	1,750
Est. Total Cost	279	38,003