

USAID/Kazakhstan

Operational Plan

FY 2006

June 13, 2006

Please Note:

The attached RESULTS INFORMATION is from the FY 2006 Operational Plan and was assembled and analyzed by the country or USAID operating unit identified on the cover page.

The Operational Plan is a "pre-decisional" USAID document and does not reflect results stemming from formal USAID review(s) of this document.

Related document information can be obtained from:
USAID Development Experience Clearinghouse
8403 Colesville Road, Suite 210
Silver Spring, MD 20910
Telephone: (301) 562-0641
Fax: (301) 588-7787
Email: docorder@dec.cdie.org
Internet: <http://www.dec.org>

Portions released on or after July 1, 2006

Program Performance Summary FY 2005: DEMOCRATIC REFORM

Country Situation: Despite strong economic performance, Kazakhstan continues to fall short in democratic reforms. The presidential elections, announced one year earlier than previously scheduled, took place on December 4, 2005, giving opposition groups limited opportunity to present their candidates. In contrast to prior elections, however, the opposition was allowed to register its candidates, providing a modicum of competition in the process. The election, which resulted in 91% of votes for President Nazarbayev, fell short of international standards according to the Organization for Security and Cooperation in Europe (OSCE). The post election period will test Kazakhstan's commitment to pursuing reforms of its political processes and governance institutions, while building on the economic reforms it has undertaken over the last decade.

In fear of possible repetition of "color revolutions" in Georgia, Ukraine, and Kyrgyzstan, the Government of Kazakhstan (GOK) is tightening some control over the operations of non-governmental organizations (NGOs), especially international NGOs. The Government passed restrictive national security amendments that limited political party activities; established controls on the operation of public and religious associations; and required non-commercial organizations to publish an annual statement on activities, sources of funding, assets, and expenditures. However, separate restrictive laws on the operation of NGOs were found to be unconstitutional, following an active advocacy campaign by more than 200 NGOs, including USAID partners and other international and local NGOs. At the same time, the operating environment for NGOs working on social, health, and economic issues improved, and the Government opened new possibilities for them to receive state funding. Nonetheless, in contrast, more than 30 USAID partner organizations (in the democracy sector as well as in other sectors) were investigated by the Government, which took time away from program implementation and management. While findings from these investigations have yet to be fully released, the results have typically been administrative fines rather than more serious judicial actions. According to a recently released report by Transparency International, Kazakhstan remains among the most corrupt countries in the world. Out of a total of approximately 2,000 registered media outlets, only 10 are considered to operate independently from the Government. The environment for media operation and the free flow of information worsened, with increasing seizures of opposition newspapers, harassment of journalists, and difficulties with licensing and registration.

U.S. Assistance Priorities: The U.S. Government will continue to advocate for democratic changes in Kazakhstan. USAID will continue to strengthen civil society, independent media, and political parties; promote the protection of human rights; reduce trafficking in persons; and advance judicial and legal reforms. As USAID transitions to a new strategy, more emphasis will be placed on national advocacy campaigns related to democracy issues, increasing political debate and access to information, and (depending on the level of interest and commitment from the new Government), support for key institutional reforms, such as direct elections for local government and the decentralization of greater resources and authorities from the central to the local level.

Program Performance: While USAID's democracy programs made progress in certain areas during the last year, the environment for democratic reform in Kazakhstan remains very challenging and the extent to which Kazakhstan's political leadership has the will to pursue such reforms is uncertain. For example, USAID made notable progress in strengthening the capacity of civil society organizations. A USAID-supported civil society association successfully took over training, technical assistance, and grant management for its members and affiliates; previously this assistance was provided by USAID's implementing partner. Despite Government's pressure on opposition parties and the restricted environment for international NGOs, USAID's elections program continued to provide training to all interested political parties. Nonetheless, while the organizational capacity of USAID-assisted local human rights defenders, as well as their ability to design advocacy campaigns, increased over the year, the environment for human rights deteriorated. USAID provided training for broadcast journalists, but did not achieve expectations in legal assistance and production support through its programming. To address this shortfall, USAID will find other mechanisms to provide legal assistance to individual journalists and media organizations. Based on close coordination with the Government and active policy dialogue led by the U.S. Embassy, programs to reduce trafficking in persons exceeded expected results. In addition, the

Parliament passed improved regulations to facilitate the prosecution of traffickers. While USAID's program in the justice sector met all planned results, it did not have a significant impact on the operation of the justice sector due to the modest nature of its interventions. USAID will now undertake more aggressive work in ethics, judicial independence, and transparency. Among other accomplishments, USAID helped establish local capacity to prepare video and audio recordings of court proceedings in a pilot court in Almaty, with the end goal of increasing transparency and accountability. The GOK now wants to replicate the same practice in other courts throughout the country. USAID developed a legal reasoning and writing curriculum, which is expected to be introduced into law school curricula next year, and is working with the law faculties to keep legal ethics as a mandatory course. Student-focused civic education continued and met targets on numbers of students, etc, but the Ministry of Education did not assume control of the program as expected.

ECONOMIC REFORM

Country Situation: Primarily due to its oil wealth, Kazakhstan is continuing to enjoy robust economic growth. With GDP of \$40.7 billion in current prices, the economy steadily grew at 9.4% in 2004 and is expected to grow by 8% in FY 2005. The Oil National Fund, established in 2001, currently holds about \$4 billion in assets and serves both stabilization and saving functions. Kazakhstan continues to play a leading role in Central Asia in economic reforms, with a solid banking system, growing mortgage markets (at a volume of more than \$1 billion in 2005), and approximately \$4.5 billion in pension accumulations. However, challenges remain in addressing the country's competitiveness and economic diversification, over-reliance on the oil sector, widespread corruption, rule of law and governance, and concentrated political power. All this hampers the growth of a middle class, and, consequently, economic prosperity. Although the incidence of poverty fell by half over five years, reaching 16.1% in 2004, according to official statistics, poverty rates between rural and urban areas still vary significantly. This underscores a need to further develop a vibrant middle class through small and medium enterprise (SME) development, promotion of rule of law and public accountability, and expanded domestic and foreign investment away from the extractive industry. To ensure the irreversibility of economic reforms and to solidify its leadership position, Kazakhstan must distribute the benefits of economic growth more equitably among the population and diversify its economy to decrease its heavy dependence on oil. The Government has shown some commitment to move in this direction by approving funds in support of the Program for Economic Development, a cost-share agreement between USAID and the GOK, in which the latter will contribute \$2.5 million in 2006. Kazakhstan also has committed to privatizing the electric power and petroleum sectors, setting an example for the rest of the region.

U.S. Assistance Priorities: USG programs will continue to focus on strengthening the competitiveness of small and medium enterprises and improving the policy, legal, and regulatory environment in which they operate. Economic policy reform assistance helps increase transparency in public finance and engenders public accountability through training in budget and program evaluation and public audit, all of which are critical to helping Kazakhstan prevent the resource curse, which afflicts countries endowed with valuable natural resources. USAID programs will also continue to help Kazakhstan move toward World Trade Organization (WTO) accession. While the bulk of USAID's work in financial sector development ends this year, funding will continue to provide limited technical assistance to the Financial Supervisory Agency to help it amend the banking law, thereby improving transparency and strengthening supervision.

Program Performance: USAID programs in economic reforms made significant progress in Kazakhstan. USAID-assisted small and medium businesses reported considerable sales increases, and improvements were made in the regulatory environment for SMEs, as demonstrated by the reduction in the number of procedures needed to open a business in Kazakhstan. USAID also helped to introduce the one-stop shop principle and concomitant improvements in the process for starting a business. USAID trained accountants to pass exams required for certification in international accounting. The financial sector continued to show strong performance, including growth of mortgages, mortgage-backed securities, corporate bonds, and credit availability for small and medium enterprises, all areas of USAID assistance. In the credit arena, USAID provided technical support to microfinance institutions throughout the region via the Central Asian Microfinance Alliance, the Kazakhstan Loan Fund, and the Kazakhstan Small Business Program. Progress continues under the Government's plan to accede to the WTO, including

adoption of a new law on technical regulations to modernize the standards regime, and removal of trade barriers and administrative/regulatory constraints to investment. For the first time, the GOK has announced publicly that it intends to accede in 2006. While there remain significant challenges in defending entrepreneurs' rights and advancing the rule of law, much has been done to keep Kazakhstan on the upward economic reform path, and to solidify its leadership role in the Central Asia Region.

USAID helped Kazakhstan to increase the capacity of water and energy management institutions; and provided models that demonstrated improved techniques of resource management. USAID completed installation of a unified communications network, utilizing meteor-burst technology, enabling the rapid distribution of critical, real-time weather and water resource information to participating countries in the region. This enables water releases to occur with respect to planned precipitation and the demands of agricultural productivity and electricity generation. USAID also completed and made operational the multi-year Naryn Cascade Operation Planning Instrument, which will control all water demands of the Syr Darya River Basin from the Aral Sea to all four water basin countries. Additionally, USAID supported a collaborative project with the Israeli development assistance agency, MASHAV, to improve water management in the Aral Sea wetlands region. Through its Water User Association Support Program in Southern Kazakhstan, USAID also assisted farmers to improve irrigation water management and increase agricultural yields, and educated students at the Kazakh National Technical University about environmental issues, particularly related to oil and gas. Furthermore, USAID helped to create the Kazakhstan Electricity Association, an energy industry business group that advocates for regulatory changes in the energy sector.

USAID developed and implemented a number of Global Development Alliances (GDA) in the economic reform sector during FY 2005. In September 2005, ExxonMobil, the Kazakhstan Loan Fund, and USAID opened a new Enterprise Development Center in Astana, bringing new services, access to business training, and microfinance opportunities to this under-served market. In addition, USAID created a GDA with local banks and the Credit Info Group to establish a credit bureau. In partnership with USAID/Ukraine, the International Accounting Standards Committee Foundation, American Institute of Certified Public Accountants, and the Center for Business Skills Development, USAID also leveraged funding to create a GDA to promote the adoption of international accounting practices, principles, and standards. Through another GDA, USAID, the Eurasia Foundation, AES Corporation, the University of New Mexico, the Eurasian National University, and the OSCE began development of a Master of Science degree program in Environmental Management and Engineering for Central Asia, focusing on the management of air-borne and water-borne industrial pollution. Also, in collaboration with Kazkommertzbank, USAID successfully began a Development Credit Authority program, through which both entities guarantee loans to qualified borrowers for heating efficiency upgrades and electric distribution system upgrades.

SOCIAL REFORM AND HUMANITARIAN ASSISTANCE

Country Situation: The GOK has begun to show greater commitment to improve the health care system and interest to cooperate with USAID on health programs. Indicative of this, USAID's policy work at the national level has resulted in a steady increase in the Government's health-related expenditures; budget revenues in support of the health sector increased from 1.97% in 2001 to 3.06% in 2005, representing a greater increase than in any other sector. In addition, the Ministry of Health recently announced a new health care reform program, which will focus on promotion of primary health care to vulnerable groups and streamlining the medical care finance system. This represents a unique opportunity for joint programs with USAID related to health finance reform to increase efficiency, transparency, and the quality of the health care system; infant, child, and maternal health; and improved control of infectious diseases such as HIV/AIDS and tuberculosis (TB).

Life expectancy remains low and infectious diseases continue to be a threat while multi-drug resistant TB is becoming more difficult and costly to cure. TB case notification rates in Kazakhstan continue to be one of the highest in the world. In addition, Kazakhstan is on the cusp of a new HIV/AIDS epidemic among intravenous drug users. Although, by global standards, HIV prevalence in Kazakhstan remains low, there is an escalating trend (from 100 cases in 1996 to 4,500 cases today) and probable movement of

HIV/AIDS into the general population. Avian influenza is another concern, as outbreaks have occurred in close proximity, with one unconfirmed human case in Kazakhstan. The Government of Kazakhstan recognizes that stemming the spread of avian influenza requires a global partnership and is cooperating with international organizations to stop the spread of the disease among animals and transmission from animals to humans.

U.S. Assistance Priorities: The USG will continue to build on the increased commitment to health reform in Kazakhstan, by increasing quality, equity, and efficiency of the health system. USAID will work in the area of primary health care reforms; introduce evidence-based practices; provide training to medical professionals and nurses; address infant, child, and maternal health issues; continue to support Kazakhstan's effort to prevent and control infectious diseases; and improve medical data collection and analysis.

Program Performance: USAID's health reform program exceeded its target for the percentage of outpatient visits occurring in primary health care (PHC) clinics, indicating that service delivery and quality improvement interventions are taking effect, and that USAID's programming has resulted in a more positive political and policy environment for acknowledging the importance of PHC. The Ministry of Health demonstrated acceptance of evidence-based medicine and the use of internationally-recognized clinical practice guidelines, and the Republican Cardiology Center adopted USAID-designed guidelines for use at the national level. USAID remains a participant in working groups established for the national health reform program's implementation, helping to maximize its impact. USAID-sponsored medical education reforms are currently being implemented by the Kazakhstan Post-Graduate Institute. Largely in response to the new demand for training of doctors from around the country, Karaganda and Almaty medical schools opened new family medicine post-graduate departments in 2005. These developments represent a great success for USAID's health reform program, which worked for some time to overcome GOK resistance to the incorporation of family medicine as a basis for a reformed health system.

Kazakhstan worked towards rolling out and scaling up health finance reforms to the national level over the last year. These reforms improve equity of funding within and between oblasts, and facilitate a transparent and responsive budgeting system, linking to USAID's cross-cutting goals of working to reduce corruption and conflict within the region. As part of ongoing efforts to combat the devastating consequences of TB, in 2005, USAID helped establish a national working group to address urgent needs, determine national policy, and enhance collaboration between the Government, international donors, and NGOs involved in TB control in Kazakhstan. During 2005, Kazakhstan submitted a formal request for the second and final \$16 million tranche of its \$22 million HIV/AIDS grant to the Global Fund to Fight AIDS, Tuberculosis, and Malaria (GFATM); the GFATM Board has signaled preliminary approval of the request, which USAID helped to prepare. Relatedly, USAID began implementation of a GDA with the GOK and Becton Dickinson, a medical equipment distributor, to improve Kazakhstan's ability to diagnose and treat HIV/AIDS patients by adopting HIV/AIDS antiretroviral treatment and creating a regional training center for donated diagnostic equipment. Additionally, in the social sector, USAID implemented a GDA with ExxonMobil to strengthen the ability of health care providers in Astana to adopt integrated management of childhood illnesses.

FY 2006 Program**SO: 115-0131 An Improved Environment for the Growth of Small and Medium Enterprises****Improve Economic Policy and the Business Environment**

Improve Economic Policy and the Business Environment (\$3,055,583 FSA, \$338,860 FSA carryover). USAID's Economic Policy Reform Project will continue to strengthen the capacity of the Parliament and its staff to conduct economic and policy analysis. USAID will assist the Ministry of Economy and Budget Planning (MEBP) to strengthen program budgeting capacity of MEBP and the line ministries. Work will continue with the Accounts Committee to bring public audits up to international standards over the next five years. USAID-funded consultants will advise the National Bank on monetary policy issues and help the Competition Agency to establish a more competitive market environment supportive of small and medium enterprise (SME) development. Assistance in intergovernmental fiscal finance will start in FY 2006. Principal contractor/grantee: Bearing Point (prime).

USAID's planned new Business Environment Improvement Project will work with business associations, governments, and other stakeholders to increase the effectiveness and sustainability of local institutions and partnerships in their pursuit of improving the business, trade, and legal environment. This work will lead to establishing effective local capacity to monitor the legal and regulatory environment and identify and reduce constraints to business operations, including trade. Principal contractor/grantee: to be determined (TBD) (prime).

Improve Private Sector Competitiveness

Improve Private Sector Competitiveness (\$3,414,245 FSA, \$255,441 FSA carryover). USAID's Enterprise Development Project (EDP) will localize the Regional Trade Promotion network by training eight local partners throughout Kazakhstan and fully commercializing the e-commerce facility currently administered by the project. USAID will shift its work in the area of Small and Medium Enterprise (SME) development from firm-level assistance to strengthening local business service providers so as to increase competitiveness of Kazakhstan's SMEs. Future work will entail provision of technical assistance to SME support institutions within the Government of Kazakhstan, professional business associations, and the private sector. USAID will support implementation of International Financial Reporting Standards through increased sustainability of the professional certification program and professional accounting associations, to improve transparency and competitiveness of SMEs. Principal contractors/grantees: Pragma Corporation (prime), TBD (prime), and TBD (prime).

Improve Quality of Workforce through Vocational/Technical Education

Improve Quality of Workforce through Vocational/Technical Education (\$1,439,432 FSA, \$238,500 FSA carryover). USAID will improve the quality of business and economics education at the high school level. Principal contractor/grantee: TBD (prime).

USAID will continue to strengthen the quality of business and economics programs in higher education institutions by helping them to become more responsive to the needs of businesses, creating sustainable faculty development and advocacy mechanisms, and supporting educational institutions to move toward international standards. Principal contractor/grantee: Carana Corporation (prime).

Strengthen The Financial Services Sector & Increase Access to Capital

Strengthen the Financial Services Sector & Increase Access to Capital (\$740,740 FSA, \$209,767 FSA carryover). USAID will continue to strengthen the capacity of local banks and microfinance institutions to provide financial services to micro and small entrepreneurs on a sustainable basis. Special attention will be given to expand services to rural areas. Limited support will be provided to the Financial Supervision

Agency to strengthen consolidated supervision through the Economic Policy Reform Project. Principal contractors/grantees: Agricultural Cooperative Development International/Volunteers for Overseas Cooperative Assistance (prime), TBD (prime), and Bearing Point (prime).

FY 2007 Program

SO: 115-0131 An Improved Environment for the Growth of Small and Medium Enterprises

Improve Economic Policy and the Business Environment

Improve Economic Policy and the Business Environment (\$3,373,512 FSA). USAID's Economic Policy Reform Project will finalize its assistance to Parliament to strengthen its analytical capacity. USAID will continue assistance to MEBP to strengthen program budgeting capacity. Work will continue with the Government in public sector audits and competition policy. Further work will be conducted with business associations and national and local government bodies across Kazakhstan to improve the environment for businesses. USAID will initiate assistance in the area of local economic development through strategic partnerships between local government, the business community, and NGOs. Principal contractors/grantees: Bearing Point (prime), TBD (prime), and TBD (prime).

Improve Private Sector Competitiveness

Improve Private Sector Competitiveness (\$2,514,550 FSA). Support will be provided to expand opportunities for businesses to grow and become more competitive. USAID will continue its work on accounting reform. Principal contractors/grantees: TBD (prime) and TBD (prime).

Strengthen The Financial Services Sector & Increase Access to Capital

Strengthen the Financial Services Sector & Increase Access to Capital (\$773,938 FSA). Continued assistance will be provided to the Financial Supervisory Agency and financial entities to improve financial markets. USAID will continue to support further expansion of access to finance for micro and small entrepreneurs through banks and/or microfinance institutions. Principal contractors/grantees: Bearing Point (prime) and TBD (prime).

FY 2006 Program

SO: 115-0161 Improved Management of Critical Natural Resources, Including Energy

Improve Economic Policy and the Business Environment

Improve Economic Policy and the Business Environment (\$700,000 FSA, \$588,902 FSA carryover). USAID will implement a Regional Energy Market Assistance Program (REMAP) to provide technical assistance for the development of an electricity market in Central Asia. REMAP has the following objectives: 1) establish a transparent, competitive electricity market in Central Asia; 2) increase electricity trade in Central Asia, making development of hydroelectricity resources financially feasible, thereby stimulating economic growth; 3) introduce market-based solutions for current and future regional disputes related to hydroelectricity facilities and reservoirs; and 4) build the capacity of regional electricity regulators to develop the electricity industry in the region, while protecting the interests of consumers. Principal contractor/grantee: to be determined (TBD) (prime).

Increase Agricultural Sector Productivity

Increase Agricultural Sector Productivity (\$150,000 FSA carryover). USAID will continue implementing a Water User Association Assistance Program (WUAAP) that will support the development of stronger and more sustainable civic organizations in the agricultural sector through a combination of enhanced technical assistance, training, and direct grant support based on the Civil Society Support Initiative (CSSI).

management principles and experience gained by Counterpart International during the FY 2005 WUAAP implementation year. Principal contractor/grantee: Counterpart International (prime).

FY 2007 Program

SO: 115-0161 Improved Management of Critical Natural Resources, Including Energy

Improve Economic Policy and the Business Environment

Improve Economic Policy and the Business Environment (\$534,000 FSA). USAID will continue to work with Kazakh authorities on bilateral and multilateral agreements that support the development of a regional energy market through REMAP. Principal contractor/grantee: TBD (prime).

FY 2006 Program

SO: 115-0211 Strengthened Democratic Culture Among Citizens and Target Institutions

Establish & Ensure Media Freedom & Freedom Of Information

Establish and Ensure Media Freedom and Freedom of Information (\$1,441,379 FSA, \$25,000 FSA carryover). USAID will provide funding to increase legal advice available to journalists and media organizations and to expand the availability of objective non-partisan information. To address the restrictive environment for media operations, USAID will provide technical assistance to journalists through a local media support center staffed by attorneys with specialized expertise on international and Kazakh media legislation. USAID will also provide production assistance to independent television stations on the preparation of talk shows, news, and analysis. The best shows will be made available for rebroadcasting via satellite to participating television stations. Principal contractors/grantees: Freedom House (prime), American Bar Association Central European and Eurasian Law Initiative (sub), Internews (prime), and to be determined (TBD) (prime).

Reduce Trafficking In Persons

Reduce Trafficking In Persons (\$680,000 FSA, \$196,848 FSA carryover). To increase information on trafficking and to consolidate the network of victim service providers, USAID will fund telephone hotlines that provide information on trafficking, overseas employment, and available assistance. Funds will also support a crisis center for victims of labor exploitation and two shelters for female trafficking victims. USAID will also provide technical assistance to local NGOs to increase their institutional capacity and identify additional funding sources and training to health care workers on how to meet the special needs of trafficking victims. Principal contractor/grantee: International Organization for Migration (prime).

Strengthen Civil Society

Strengthen Civil Society (\$2,125,980 FSA, \$50,000 FSA carryover). USAID will begin a new initiative working through an association of local non-governmental organizations (NGOs) to fund national-level advocacy campaigns on democracy issues. USAID will also provide technical assistance to NGOs to enable them to work with the private sector and national and local government organizations. This next generation of support will focus on a smaller sub-set of NGOs which are interested in promoting improvements in citizen interactions with the government and in institutional reforms leading to a more representative democratic system. Principal contractors/grantees: TBD (prime).

Strengthen Democratic Political Parties

Strengthen Democratic Political Parties (\$396,582 FSA). USAID will provide training and technical assistance on organizational and platform development to all democratic parties. This will include working with both national-level party leadership, as well as with regionally-based party chapters, to

strengthen the link between citizens and their representatives. Principal contractors/grantees: National Democratic Institute (prime) and International Republican Institute (prime).

Strengthen the Justice Sector

Strengthen the Justice Sector (\$856,059 FSA). USAID will provide training and technical assistance to the media and the judiciary to promote fair reporting and information exchange, continue a pilot court recording project, and work with the Judicial Academy to train sitting judges and future judges in areas of ethics and decision writing. USAID will provide technical assistance to the Union of Judges on judicial independence and self-policing of ethical violations. USAID will also finance a public outreach program to generate public demand for a more fair and transparent judicial system. Principal contractor/grantee: Chemonics (prime).

FY 2007 Program

SO: 115-0211 Strengthened Democratic Culture Among Citizens and Target Institutions

Establish & Ensure Media Freedom & Freedom Of Information

Establish & Ensure Media Freedom & Freedom of Information (\$1,748,455 FSA). USAID will provide legal advice to journalists and media organizations, as well as technical assistance for the production of news and other informational programming. Principal contractor/grantee: TBD (prime).

Reduce Trafficking In Persons

Reduce Trafficking In Persons (\$241,545 FSA). USAID will continue to provide funding to local organizations to meet the needs of trafficking victims, and expand technical assistance to these organizations to increase their sustainability. Principal grantee: International Organization for Migration (prime).

Strengthen Civil Society

Strengthen Civil Society (\$2,260,000 FSA). USAID will provide financing for national-level advocacy and information campaigns led by local NGOs on democracy related issues to increase political debate and access to information. Principal contractor/grantee: TBD (prime).

FY 2006 Program

SO: 115-0320 Increased Utilization of Quality Primary Health Care for Select Populations

Address Other Health Vulnerabilities

Address Other Health Vulnerabilities (\$1,307,000 FSA, \$22,241 FSA carryover). USAID's health reform program, ZdravPlus II, will continue to support the Government of Kazakhstan (GOK) to increase utilization and quality of primary health care (PHC) services through the implementation of the National Health Reform Program. ZdravPlus II will provide technical assistance to the Ministry of Health (MOH) to increase equity among and efficiency of PHC centers. ZdravPlus II and the Ministry of Health will develop a national monitoring system to assess the quality and cost-efficiency of resource use in the health sector, and USAID will assist with the development of voluntary health insurance. ZdravPlus II will expand its safe motherhood pilots to two additional sites, increasing access to high quality prenatal, postnatal, and delivery care. A family planning component will be added to these pilots in order to decrease abortion rates. ZdravPlus II will continue to assist the Ministry of Health with designing clinical practice guidelines based upon international standards. The Global Development Alliance with ExxonMobil will conduct expanded trainings for PHC professionals on the integrated management of childhood illnesses. USAID will continue to support implementation of the World Health Organization

(WHO)-recommended live birth definition. Principal contractors/grantees: Abt Associates (prime), Morehouse University School of Medicine (sub), John Snow Inc. (sub), Boston University (sub), Institute for Sustainable Communities (sub), and the U.S. Centers for Disease Control and Prevention (CDC) (prime).

Prevent & Control Infectious Diseases Of Major Importance

Prevent & Control Infectious Diseases of Major Importance (\$874,000 FSA). CDC will continue to train Kazakh professionals through the Applied Epidemiology Training Program (AETP). CDC will strengthen tuberculosis (TB) surveillance through the use of epidemiological software to interpret TB data from the National TB Register. Laboratory quality assurance training will continue. USAID's TB Control Program will continue to support the Directly Observed Treatment, Short-course (DOTS) strategy through demonstration of best practices, and will work to strengthen surveillance systems, laboratory quality, and rational drug management. The TB Control Program will strengthen political support for effective TB control, build human and systems capacity, and raise community awareness. The USAID-supported National TB Training Center established at the Karaganda prison will support the establishment of DOTS programs for the country's prison population, and linkages between those systems and the civil TB control service. The TB Control Program will emphasize control of drug resistance and strategies to address HIV-TB co-infection. Principal contractors/grantees: CDC (prime), Project HOPE (prime), Johns Hopkins University Bloomberg School of Public Health (sub), John Snow Inc. (sub), New Jersey Medical School National TB Center (sub), Chemonics International (sub), and CAMRIS International (sub).

Reduce Transmission & Impact Of HIV/AIDS

Reduce Transmission & Impact Of HIV/AIDS (\$1,199,000 FSA). Through the Central Asian Program on AIDS Control and Intervention Targeting Youth and High-Risk Groups (CAPACITY), USAID will continue to assist the Government of Kazakhstan with implementation of its HIV grant from the Global Fund to Fight AIDS, TB, and Malaria. The project will also increase the capacity of local non-governmental organizations and will leverage the resources of the regional HIV projects funded by the World Bank and the British Department for International Development. CAPACITY will provide training to health professionals to improve counseling, testing, and antiretroviral treatment skills. USAID will improve resource use through integration of HIV/AIDS services into the overall health system. CDC will continue training officials to use data from HIV sentinel surveillance. Principal contractors/grantees: John Snow Inc. (prime), Population Services International (sub), Abt Associates (sub), International HIV/AIDS Alliance (sub), Howard University (sub), and CDC (prime).

FY 2007 Program

SO: 115-0320 Increased Utilization of Quality Primary Health Care for Select Populations

Address Other Health Vulnerabilities

Address Other Health Vulnerabilities (\$1,137,000 FSA). ZdravPlus II will continue its support for Kazakhstan's National Health Reform and Development Program. ZdravPlus II also will develop the framework for paid health services to allow more flexibility for health centers to manage their own resources. Safe motherhood pilots will be expanded to additional districts, and data collected from the family planning components of these pilots will be used to advocate for reduced abortion rates. USAID will support implementation of the World Health Organization-recommended live birth definition at the national level. Principal contractors/grantees: same implementers as above; additional contractors/grantees to be determined (TBD).

Prevent & Control Infectious Diseases Of Major Importance

Prevent & Control Infectious Diseases of Major Importance (\$564,000 FSA). CDC will continue AETP to

support the Ministry of Health with investigation of infectious disease outbreaks through a trained cadre of public health epidemiologists. CDC will strengthen surveillance for TB through the expanded use of epidemiological software for interpreting National TB Register data. The TB Control Program will support the establishment and function of a sustainable training system. USAID's TB Control and CAPACITY programs will work together to reduce HIV and TB co-infection. Principal contractors/grantees: same implementers as above; additional contractors/grantees TBD.

Reduce Transmission & Impact Of HIV/AIDS

Reduce Transmission & Impact of HIV/AIDS (\$898,000 FSA). CAPACITY will continue to strengthen implementation of the national strategy to prevent and control HIV/AIDS. USAID's inter-agency agreement with CDC will be extended to intensify and extend efforts on HIV sentinel surveillance training. Principal contractors/grantees: same implementers as above; additional contractors/grantees TBD.

FY 2006 Program

SO: 115-0420 Cross-Cutting Programs

Program Support

Program Support (\$1,750,000 FSA, \$583,753 FSA carryover, \$3,106 FSA prior year recoveries).

Participant Training Program: USAID will continue participant training to complement ongoing technical assistance in the following areas: improved environment for growth of small and medium enterprises, enhanced trade through cross-border opportunities, strengthened democratic culture, improved management of critical natural resources, increased utilization of quality primary health care, sources of conflict mitigated in target communities, and quality of education improved. Of particular note, in spring 2006, a conference will be organized with training resources to bring together religious leaders from across the region to discuss religious extremism. More than 2,000 participants will be trained through participant training activities in Kazakhstan during FY 2006. USAID support will include implementation of activities under a pilot Human and Institutional Capacity Development activity with the Accounts Committee of Kazakhstan. Through this activity, USAID will implement solutions to improve the organizational performance of this important audit institution. Principal contractor/grantee: Academy for Educational Development (prime).

Community Connections: In FY 2006, USAID will begin implementation of the Community Connections Program, a public diplomacy initiative previously funded by the State Department. Through the program, approximately 50 Kazakh citizens per year will participate in exchanges to promote mutual understanding between the United States and Kazakhstan through exposure to U.S. society and personal connections with Americans. The Community Connections Program will help achieve U.S. Government priorities in Kazakhstan by targeting professional groups and individual entrepreneurs that are central to economic and democratic reform. Exchange programs will last from 3-5 weeks and will be tailored to the individual needs of participants. Principal contractors/grantees: World Learning (prime) and American Councils for International Education (sub).

Eurasia Foundation: 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. In particular, in FY 2006, Eurasia Foundation will continue to support ecotourism and will begin a new program aimed at improving the quality of crafts and marketing skills of Kazakh artisans. In support of the latter, Eurasia Foundation will help to establish a National Crafts Council to coordinate and promote Kazakh artists both nationally and internationally. Principal contractor/grantee: Eurasia Foundation (prime).

Program Support: A wide range of program support will continue to be funded, including evaluations, technical assistance, management needs, public outreach, and staff costs. 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 with technical assistance providers to incorporate religious leaders into development activities. Principal contractor/grantee: N/A.

FY 2007 Program

SO: 115-0420 Cross-Cutting Programs

Program Support

Program Support (\$1,334,000 FSA).

Community Connections: USAID will continue the Community Connections Program, providing both professionals and businessmen with the opportunity to learn about U.S. society while enhancing their knowledge in areas of expertise. Approximately 50 Kazakh citizens will participate in the program during FY 2007. Principal contractors/grantees: World Learning (prime) and American Councils for International Education (sub).

Eurasia Foundation: The Eurasia Foundation will continue to provide grants and institutional strengthening on an open-door basis to approximately 20 NGOs in Kazakhstan that work in the sectors of private enterprise development, civil society strengthening, and public administration. Principal contractor/grantee: Eurasia Foundation (prime).

Program Support: 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. Principal contractor/grantee: N/A.

Results Framework

115-0131 An Improved Environment for the Growth of Small and Medium Enterprises

Program Title: Small and Medium Sized Enterprise Program

IR 1.3.1: Increased Opportunities to Acquire Business Information, Knowledge, and Skills

IR 1.3.2: More Responsive Financial Institutions, Instruments and Markets

IR 1.3.3: Increased Implementation of Laws and Regulations

115-0161 Improved Management of Critical Natural Resources, Including Energy

Program Title: Energy and Water

IR 1.6.1: Increased Management Capacity in the Natural Resources Sector

IR 1.6.2: Improved Policy and Regulatory Framework

IR 1.6.3: Sustainable Models Developed for Integrated Natural Resources Management

IR 1.6.4: Public Commitment Established for Natural Resources Management Policies

115-0211 Strengthened Democratic Culture Among Citizens and Target Institutions

Program Title: Strengthened Democratic Culture

IR 2.1.1: Stronger and More Sustainable Civic Organizations

IR 2.1.2: Increased Availability of Information on Civic Rights and Domestic Public Issues

IR 2.1.3: Enhanced Opportunities for Citizen Participation in Governance

IR 2.1.4: More Effective, Responsive, and Accountable Local Governance

115-0240 Conflict Mitigation

Program Title: Conflict Prevention

IR 2.4.1: Strengthened Community Participation

IR 2.4.2: Improved Local Services Through Community Decisions

115-0320 Increased Utilization of Quality Primary Health Care for Select Populations

Program Title: Health and Population

IR 3.2.1: Select Populations are Better Informed about Personal Health Care Rights and Responsibilities

IR 3.2.2: Improved Quality of Health Care including Infectious Diseases and Maternal and Child Health

IR 3.2.3: Improved Use of Health Care Resources for Primary Health Care

IR 3.2.4: Improved Legislative, Regulatory, and Policy Framework

115-0420 Cross-Cutting Programs

Program Title: Cross-Cutting Programs