

ANNUAL REPORT 2016





FROM LEFT TO RIGHT: KIMEP COMMENCEMENT 2016; KIMEP SOPHOMORES HAKNAZAR HALLYGYLYJOV, ALISHER MURTAZAEV & ALEKSANDR KINYAKIN; AUCA JUNIORS ZHIBEK KAMALBEK KYZY & TAKHMINA ZAKIROVA & SOPHOMORES BEZHAN NIYOZBEKOV & KEMELBEK IRSALIEV



ANNUAL REPORT --- 2016





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IRINA ABASOVA, WINNER OF 2016 ALUMNI AWARD,
WITH U.S.-CAEF DIRECTORS STEPHEN D. WEINROTH (LEFT)
& ALAN BRUMBERGER (RIGHT)



U.S. President's
Board of Advisors
Irina Abasova

U.S. President's
Board of Advisors
Irina Abasova
U.S. - CAIF Alumni

U.S. President's
Board of Advisors
Alan Brumberger
U.S. Board

OVERVIEW



MARGARET M. GRIEVE, U.S.-CAEF
VICE CHAIR, WITH AUCA FELLOWS

FORMATION

The U.S.-Central Asia Education Foundation (the Foundation) commenced operation in May, 2007. The Foundation is a non profit corporation funded by a grant of \$15.7 million from the U.S. Government-sponsored Central Asian-American Enterprise Fund (the Fund) to continue the Fund's work in Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan. The Foundation provides educational opportunities in business and other activities to cultivate a principled, entrepreneurial environment in Central Asia that fosters the growth of free enterprise and open markets. The Foundation is grateful for support from the Fund, the U.S. Government and its citizens, which make its operation possible.

MISSION

The Foundation's mission is to encourage and assist the development and growth of a vibrant, open-market, private business sector in Central Asia by: supporting the quality of - and affordable access to - Western business know-how and practices at selected institutions of higher education in the region that have adopted Western curricula and teaching methods; providing opportunities for educational, vocational, and cultural experience in countries that serve as positive examples of an open-market economy operating within a democratic environment; and promoting other activities that will generate a favorable environment in Central Asia for private business to succeed and for an entrepreneurial spirit to thrive.

PROGRAMS

In 2016, the Foundation executed its mission through two programs:

ENTERPRISE STUDENT FELLOWSHIPS:

A financial need-based undergraduate business education scholarship program for academically gifted students, who, due to financial hardship, would otherwise not be able to pursue a university education. Scholarships are provided at selected Central Asian universities to citizen residents of the Central Asian countries of Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan.

ENTERPRISE INTERN FELLOWSHIPS:

A program for select Enterprise Student Fellows to gain practical work experience within Central Asia, as well as educational, vocational and cultural experience in the United States or other countries that serve as positive examples of democratic open-market economies.

PARTNER UNIVERSITIES: AUCA & KIMEP UNIVERSITY

Our partner universities, the American University of Central Asia (AUCA) in Bishkek, the Kyrgyz Republic, and KIMEP University in Almaty, Kazakhstan, were selected based on a number of criteria including their use of English, the international language of business, as the primary language for instruction; adoption of a Western-style curriculum and teaching methodology; and a willingness to support the goals of the Foundation and its Student Fellows.

ALUMNI ASSOCIATION

The U.S.-CAEF Alumni Association (the Association) develops and enhances the involvement of Enterprise Fellowship program Alumni in supporting and complementing the mission and goals of the Foundation through communication, service and leadership.

PROGRAM ADMINISTRATOR:

AMERICAN COUNCILS FOR INTERNATIONAL EDUCATION

American Councils for International Education is a premier, international nonprofit creating educational opportunities that prepare individuals and institutions to succeed in an increasingly interconnected and rapidly changing world. Through academic exchanges, overseas language immersion, data-driven research, and educational development programs, American Councils designs and administers innovative programs and language assessments that broaden individual perspectives, increase knowledge, and deepen understanding.

For over 40 years, American Councils has responded to the needs of the communities where it works with hundreds of robust, international education programs that span over 80 countries, 40 languages, and are represented by more than 65,000 Alumni worldwide, including government leaders, top international educators, business innovators, public officials, and K-16 students.



FISCAL YEAR 2016 HIGHLIGHTS





FROM LEFT TO RIGHT: AUCA SENIORS KUTTUBEK RAKHMANBERDIEV, BAKHROM TURSUNOV, AZIM TILEKOV & SAMATBEK OSMONOV

STUDENT FELLOWSHIPS

The 2016 fiscal year was another successful year for the Foundation. We celebrated our sixth graduating class of Enterprise Student Fellows. Twenty-nine young men and women completed their undergraduate studies at our partner universities and embarked on their careers. We recognized their achievements in ceremonies in Almaty and Bishkek. Directors of the Foundation were able to congratulate the Fellows and their proud parents in person.

STUDENT INTERNSHIPS

The fifth U.S. International Internship Program took place during the fall of 2015, when six recent U.S.-CAEF graduates traveled to Washington, DC to engage in carefully selected internships from August 27 to December 11, 2015. Another select group of eight graduates, the largest number to date, started their internship programs on August 29, 2016. The four-month internship program in the U.S. is designed to provide substantive professional experience relevant to each Student Fellow's degree studies.

The Regional Internship Program continued to be a success. Twelve sophomores successfully completed their 2016 summer internships, gaining a first-hand look at business operations in the region and preparing for additional internships in their junior and senior years. Formerly held only in Bishkek, Kyrgyz Republic and Almaty, Kazakhstan, the Foundation expanded the internship program this year to Dushanbe, Tajikistan to foster business contacts that will increase the likelihood of Tajik Fellows returning to pursue careers in their native country, which needs highly qualified, English-speaking specialists in finance, accounting, and auditing.

ALUMNI ASSOCIATION

The Alumni Association ("Association") continued to engage in activities that benefited both Alumni and current Fellows. These efforts resulted in a number of collaborative projects and the expansion of the Association's outreach activities to Tajikistan and Turkmenistan.

STUDENT FELLOWSHIPS





KIMEP GRADUATE NAZERKE
ZARLYKHANOVA (RIGHT)

GRADUATION 2016

The class of 2016 is the sixth graduating class of U.S.-CAEF Enterprise Fellows, bringing the total number of Alumni to 167. U.S.-CAEF is the largest scholarship provider at KIMEP University and among the largest financial supporters of AUCA students.

The Directors of U.S.-CAEF traveled to Central Asia to celebrate the accomplishments of the class of 2016. Commencement ceremonies took place in Almaty on May 21 and in Bishkek on June 4, followed by receptions in honor of graduating Fellows. Graduates and their families, current fellows, alumni, university faculty, administrators, internship hosts, and honored guests from the U.S. Embassy and USAID joined the events. In Bishkek, for the first time, the U.S.-CAEF reception was attended by Madam Ambassador Sheila Gwaltney.



STEVEN F. SHEA AWARDS FOR GRADUATING FELLOWS

In special recognition of the exceptionally high quality of this year's graduating fellows at both institutions, the U.S.-CAEF Board of Directors granted Steven F. Shea awards to two graduating fellows from each of our partner institutions, making a total of four awards for new graduates in 2016. Stephen Weinroth announced the awards during the annual graduation reception for U.S.-CAEF Fellows at KIMEP on May 21; Margaret Grieve announced the honors at AUCA on June 5. Each awardee received a monetary award of U.S. \$1,000 and a plaque of recognition.

The Steven F. Shea Excellence Award is an annual award for graduating seniors and alumni; it was established by the Foundation in May, 2015 to commemorate Mr. Steven F. Shea, a founding director of U.S.-CAEF and its first President.

GRADUATING SENIOR AWARD WINNERS:



ANISA ATALOVA

AUCA CLASS OF 2016

Anisa is an outstanding AUCA Fellow who has demonstrated academic excellence and impressive leadership abilities. She graduated from AUCA summa cum laude. In 2013, she received the AUCA Leadership Award, and won a full scholarship to study at the Norwegian University of Life Science in Ås, Norway in fall 2014.

For Anisa, practical experience is integral to her professional development. She was selected to participate in the Youth Leadership and Interfaith Conference in Orlando, Florida in 2012; received first place honors in several local and international debate tournaments; and gained valuable work experience in finance and management through NGO Youth Project and NGO IRET in her native Osh in 2012-13. In 2014, she continued to expand her work experience by interning in the HR department of the U.S. Embassy (through the U.S.-CAEF summer internship program), where she redesigned the HR internal website, a task that no one on the team had been able to complete to that point. After the internship, Anisa was offered the position of administrative clerk, which she held until June 2015. In her senior year, using the knowledge and skills she had gained through these important experiences, Anisa created her own startup, a cosmetics shop called "Let's Makeup". She now has three staff members and her business is operating well. Last spring, Anisa was one of the winners of the Corporate Finance Olympiad among universities in Bishkek and represented Kyrgyzstan in the finals in Moscow, becoming one of the first AUCA students to participate in this prestigious competition.



CHYNARA ERKULOVA

KIMEP CLASS OF 2016

An Accounting major and Taxation minor, Chynara graduated from KIMEP magna cum laude. Chynara participated in an exchange program at Singapore Management University in spring 2014; attended preparatory courses at the International Tax Center in Almaty; passed her first exam for the Advanced Diploma in International Taxation in June, 2015; and took part in the CEE Vienna International Summer School in Tax Law at the Institute for Austrian and International Tax Law in July, 2015. In addition, Chynara interned as a talent acquisition intern at Teach for Malaysia in Kuala-Lumpur in summer 2014; worked as a research assistant at the Central Asian Tax Research Center (CATRC), Almaty in 2014-15; and won the Mars case competition in November, 2014. Chynara interned in the Tax and Legal Department of Ernst & Young in Almaty in the summer of 2015 and in the spring of 2016 as a marketing intern at JSC Syrymbet, the largest Central Asian ore mining company based in Almaty.

Chynara's extracurricular experiences are no less impressive. In 2012, she became the first freshman student to be elected as President of the U.S.-CAEF Student Association. In summer, 2013 Chynara was selected to take part in the Global Village for Future Leaders of Business conference in Pennsylvania, where she won a leadership award among 107 international participants. She was named as best speaker at the 20th Annual International Debate Tournament in Bishkek in 2012, and best delegate by the General Assembly of the Tien-Shan Model UN in Bishkek in April, 2013. In October 2013 Chynara participated in the Young World Summit for business leaders in Johannesburg, South Africa. In addition, Chynara helped organize an educational camp in Kyrgyzstan led by U.S.-CAEF alumna Tangulu Diushakhmatova in August, 2015.



ADEL SULTANBEKOVA

AUCA CLASS OF 2016

Adel graduated from AUCA magna cum laude and won a full scholarship to study at the Norwegian University of Life Sciences in Ås, Norway in spring 2014.

The impressive array of Adel's extracurricular activities demonstrates her strong motivation to contribute to the success of her community. In her sophomore year, she won a grant from the U.S. Department of State to conduct a fund-raising concert in Kyrgyzstan. Through this experience, Adel created partnerships with local media representatives, businesses, government officials, and artists. Her efforts helped raise sufficient funds to donate a defibrillator and other cardiac devices to the National Heart Center in Bishkek. In her junior year, Adel received a grant sponsored by USAID and the Association of Social Entrepreneurs of Kyrgyzstan to organize a community project for unemployed women. In her senior year, Adel became one of the leaders of a startup, Free Bishkek Tour, which aims to provide guided tours in Kyrgyzstan that are affordable for any budget. In addition, Adel has developed and led several business community projects through the ProKg Leadership School, AUCA's club Enactus, and the FLEX Alumni Association. Adel also took part in the Social Entrepreneurship Conference in Istanbul, Turkey in March, 2014 and the World Business Dialogue in Cologne, Germany in March, 2015. Adel's work experience includes internships at UNDP (through the U.S.-CAEF summer internship program), Ministry of Finance of Kyrgyzstan, English language center "MK International," and AUCA's Business Clinic.



NAZERKE ZARLYKHANOVA

KIMEP CLASS OF 2016

A Finance major and Accounting minor, Nazerke graduated from KIMEP summa cum laude with the highest cumulative GPA of 4.26 among KIMEP Fellows of all six U.S.-CAEF cohorts. Nazerke was selected to participate in two academic exchange programs—at Hong Kong Baptist University in fall 2014, and at the University of Zagreb, Croatia in fall 2015. In addition, Nazerke completed a Chinese language course through a summer 2014 program at Xinjiang University, Urumqi, China. In her senior year, Nazerke was listed among the "100 Best Students of Almaty" catalog. In addition to excelling in her academic pursuits, since her enrollment at KIMEP, Nazerke has been working as a free-lance interpreter at international exhibitions and forums through New Way Sole Proprietorship in Almaty. The connections that she has established in this company helped her secure jobs as a sales manager for Ipekyolu International Exhibitions Limited over the summer in 2013 in Istanbul, Turkey. During this time, she gained valuable skills in sales and marketing, which further helped her find part-time employment as a sales manager and assistant accountant at the Central Asian Trade Exhibitions (CATEXpo) in 2013- 2014.

Nazerke has been highly active in extracurricular activities and held several leadership positions as President of Internal Affairs of the Kazakhstan Model UN Society, Vice-President of the KIMEP Honor Society, and Deputy of the Youth Parliament of Kazakhstan. Nazerke is a prize winner of accounting contests and business games sponsored by PricewaterhouseCoopers, Procter & Gamble, and other leading companies; a winner of the KIMEP Intellectual Olympiad; and a grant winner and leader of several community projects promoting cross-cultural understanding and aiding children in remote areas of Kazakhstan.

AUCA Student Fellows
who received honors
in the 2015-16
academic year:

CLASS OF 2016

DILDANA ABBASOVA

ANISA ATALOVA

ADEL SULTANBEKOVA

TYNYSTAN TALANTOV

MAKHABAT TASHBALTAIEVA

CLASS OF 2017

RAKHNAZA ABAKIROVA

ANISA HOJIEVA

ASEL KALDYBAEVA

ZHAMILIA KLYCHEVA

SAMATBEK OSMONOV

AZIM TILEKOV

INNA TSOI

CLASS OF 2018

ASEL AMATOVA

ZUHRO GANJIBEKOVA

ZHIBEK KAMALBEK KYZY

MERYEM KARAKHASANOVA

ALTYNAI MELISOVA

OSIYA OLIMNAZAR

KANAT OSMONOV

TAKHMINA ZAKIROVA

CLASS OF 2019

MEERIM MOLDALIEVA

AKHRORKHON IKROMOV

AIZHAN KERIMBEK KYZY

ACCOMPLISHMENTS OF GRADUATING FELLOWS

In keeping with traditions established over many years by previous cohorts, the 2016 graduating class upheld the high standards of the U.S.-CAEF program, completing their studies at AUCA and KIMEP University with impressive results. Of 29 seniors, 18 have been recognized on the President's and Dean's Lists. Eight seniors majoring in Business Administration graduated summa cum laude, magna cum laude and cum laude:



DILDANA ABBASOVA
SUMMA CUM LAUDE



ANISA ATALOVA
SUMMA CUM LAUDE



TYNYSTAN TALANTOV
SUMMA CUM LAUDE



NAZERKE ZARLYKHANOVA
SUMMA CUM LAUDE



CHYNARA ERKULOVA
MAGNA CUM LAUDE



MALIKA ORAZYMBETOVA
MAGNA CUM LAUDE



ADEL SULTANBEKOVA
MAGNA CUM LAUDE



MAKHABAT TASHBALTAIEVA
MAGNA CUM LAUDE

Upon their graduation, 98% of Fellows either secured employment or enrolled in graduate or internship programs – an impressive indicator of the strong reputation that AUCA and KIMEP Universities' business programs enjoy among such leading companies and organizations as Baiterek National Management Holding, Beeline, Damu Entrepreneurship Development Fund, Ernst & Young, FINCA, International Finance Corporation (IFC), Kazakhmys, Phillip Morris, Schiever, Sheraton Hotel Dushanbe and others.

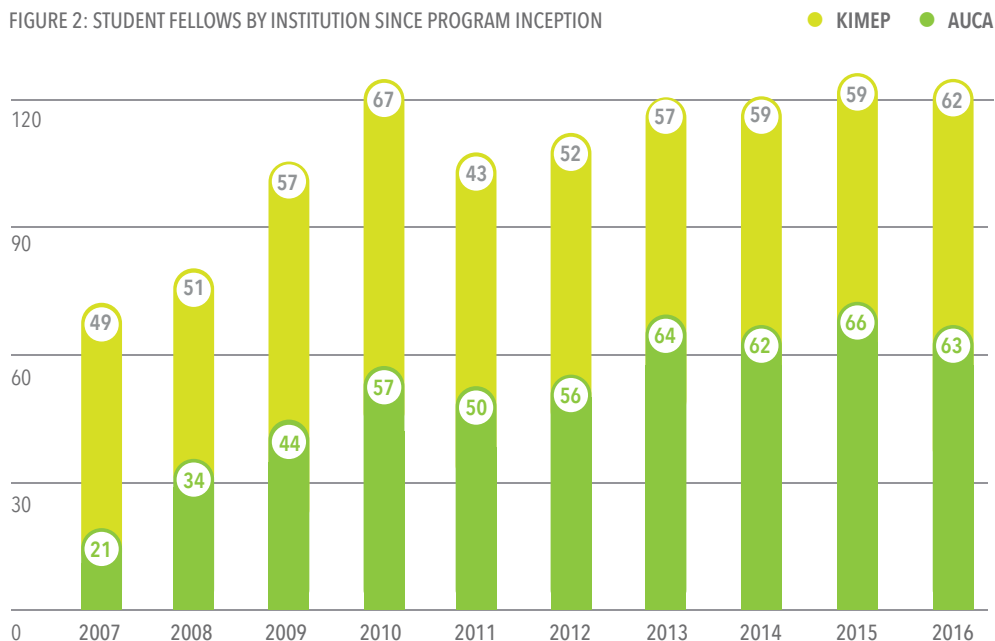
Four seniors – **Medina Abylkasymova, Aigerim Almazova, Asel Rayimbekova** and **Aziza Isaeva** – received full scholarships to continue their studies in graduate schools in Hungary, the Kyrgyz Republic and Tajikistan.

Enterprise Fellows reported that their academic programs, internship experiences, and career development workshops organized by the U.S.-CAEF program played a major role in their subsequent employment and scholarship awards.

"As President of the U.S.-CAEF Student Association, I learned important leadership and management skills while organizing various professional training workshops, panel discussions, master classes, team building events, and other activities for our Fellows. I have gained valuable knowledge and skills that will help me build my career, open my own business in Turkmenistan, and help improve the quality of life in my community," wrote **Ilhan Yollyyev**, who is currently working in the marketing and development department of IGroup, an international company that specializes in information products and library technologies.

FELLOWSHIPS

FIGURE 2: STUDENT FELLOWS BY INSTITUTION SINCE PROGRAM INCEPTION



During the 2015-16 academic year, the Foundation provided **125** Fellowships for 59 Student Fellows to enroll at AUCA and 66 to attend KIMEP University. In the 2016-17 academic year, the Foundation provided another 125 scholarships supporting 62 students at AUCA and 63 at KIMEP University. Enterprise Student Fellows represented all five of the former Central Asian Republics of the former Soviet Union.

The academic performance of 2015-16 Enterprise Student Fellows was exemplary. Overall, the program-wide average GPA stayed high at **3.58**. The number of Fellows earning a GPA

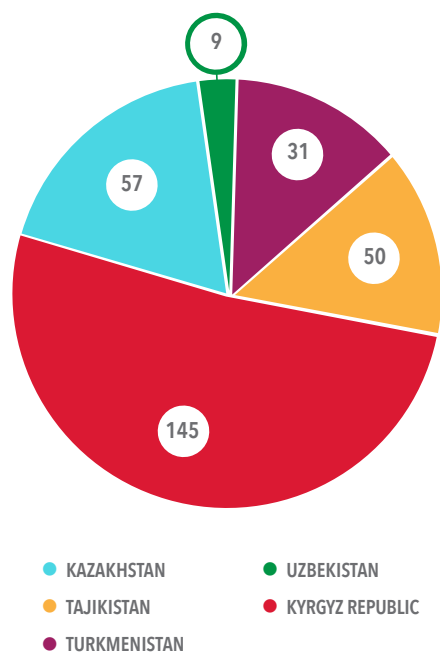
of 3.00 or higher stands at 87.7 %, at AUCA, while at KIMEP University, 98.3% of Fellows completed their studies in good academic standing in AY 2015-16.

At AUCA, fourth-year students with a cumulative GPA of 3.8-4.0 are named to the President's List. Students in their second, third, or fourth years of study with a GPA of 3.67 or higher are named to the Dean's List.

Twenty-three Fellows or 37% of our AUCA students were recognized on the President's and Dean's Lists during AY 2015-16.

At KIMEP University, full-time students with a semester GPA of 4.0- 4.33 are named to the President's List, while those with a semester GPA of 3.75 to 3.99 are placed on the Dean's List. Of 66 KIMEP Student Fellows, 42 (64%) received these honors.

FIGURE 2: STUDENT FELLOWS BY CITIZENSHIP SINCE PROGRAM INCEPTION



42 (64%) KIMEP University
Student Fellows received honors:

CLASS OF 2016

AISULUU ABDYRAKMANOVA
AIIDA BAGYTZHANOVA
SHAKHNOZAI DAVLATZODA
YULIYA DAVYDENKO
CHYNARA ERKULOVA
FIRUZA HASANOVA
ILHAN YOLLYYEV
NAZERKE ZARLYKHANOVA

CLASS OF 2017

BUNYOD ABDUKARIMOV
MOHINAV AMONULLOEVA
TIMUR AZIZOV
KARIMKHON BUKHADUROV
SHAHNOZ JONMAMADOVA
TIMUR KARIMOV
DANA KUSSAIN
ZARRINAKHON MULLOBOEVA
MALIKA ORAZYMBETOVA
USNIBEGIM RAHIMJONOVA
AKNUR TASSYBEKOVA
JAMSHEDI UMARZODA
ALEXEY YAN

CLASS OF 2018

DASTAN AKHTAYEV
YULIANA BAKULINA
ZHAKSAT BASSEN
KAMILA BEKBAGANBETOVA
SHAHLO JONMAMADOVA
JAHONGIR RAHIMOV
AIDAI TOPCHUBAEVA
ZUHRO QONUNOVA
ZULFIYA URUNOVA

CLASS OF 2019

NEKDIL ABDULOFOZOV
BEKZHAN AKBAYEV
NIGORA BURHONOVA
HAKNAZAR HALLYGYLYJOV
ALEKSANDR KINYAKIN
ALISHER MURTAZAEV
BAKHTIYOR OTAMBEKOV
ANGELINA RUBIS
NURBAKHSH SARTIB
NILUFAR UMAROVA
RUSTEM YESNAZAROV
MUSTAFA ZIYATBEKOV

RECRUITING & SELECTION



FRESHMAN SHAISLAM SHABIEV
AT EDUCATIONAL FAIR IN BISHKEK

Recruitment activities for the U.S.-CAEF Fellowships continued in earnest until the application deadline of February 12, 2016. American Councils field staff carried out a rigorous recruitment drive, traveling extensively and finding creative strategies to reach out to new constituencies. As a result, this year the Program received **405** fellowship applications, the largest number in the history of the Foundation – 28% more applications than last year's overall total of 315 (which was already impressive). By engaging applicants from diverse, often underserved areas of Central Asia, our field office's efforts continue to ensure that the Fellowship remains truly accessible to students of all backgrounds.

As in previous years, the Kyrgyz Republic and Tajikistan account for the largest portion of our applications. Numbers in Kyrgyzstan increased by 52% and in Tajikistan by 24%.

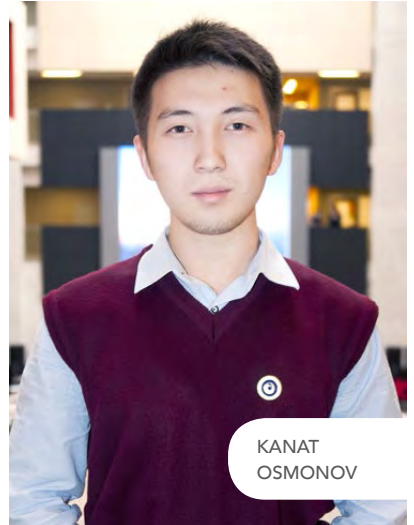
In Uzbekistan and Turkmenistan, application numbers remained low due to government policies that do not permit direct recruitment. The Foundation remains deeply committed to achieving geographic and regional diversity in its applicant pool and hopes that future improvements in diplomatic relations will enable U.S.-CAEF to recruit actively in all five Central Asian countries.

Continued high application numbers from Kazakhstan, the Kyrgyz Republic and Tajikistan reflected U.S.-CAEF's growing reputation in these countries. Feedback from recruitment efforts indicates that the U.S.-CAEF program now enjoys widespread name recognition and most high school students in the region are aware of this important opportunity for those who intend to study business.

FUTURE LEADERS



ZARRINAKHON
MULLOBOEVA



KANAT
OSMONOV



MUSTAFA
ZIYATBEKOV



BAKHROM
TURSUNOV

AUCA and KIMEP Enterprise Student Fellows are active members of university clubs, leaders, innovators, and role models who contribute markedly to the dynamic environment of their campuses and help each other develop the talent and perspective essential to leadership in a challenging world. The Foundation would like to highlight a few of the many examples of their leadership.

In Bishkek, **Zhamiliya Klycheva** has been successfully running the university's Business Clinic. One of AUCA's leading student organizations, the Clinic provides consulting services to local businesses.

As public relations director of AUCA TV, senior **Bakhrom Tursunov** develops university promotional materials, utilizing his classroom knowledge in management and marketing. On November 14, 2015 AUCA TV was awarded "Best Social Youth Project of the Year" by Jashtar Camp, the largest annual youth conference in Central Asia – a testament to the hard work and dedication of Bakhrom and his team.



ZHAMILIA
KLYCHEVA



BUNYOD
ABDUKARIMOV



KUTTUBEK RAKHMANBERDIEV
& SAMATBEK OSMONOV



BEKZHAN
AKBAYEV

In Almaty, senior **Zarrinakhon Mulloboeva** received the award for Best Internal Corporate Newspaper at the Annual Central Asian Contest of Corporate Media as managing editor of the KIMEP Times.

To hone her leadership skills, **Chynara Erkulova** took up a challenging position as President of KIMEP Case Club and provided guidance to the top 10% of KIMEP business students striving to join leading management consulting firms. Inspired by Chynara's success and recognizing a growing demand for practical business knowledge among students, AUCA seniors **Samatbek Osmonov** and **Kuttubek Rakhmanberdiev** founded the first AUCA Case Club in June, 2016.

Another senior, **Bunyod Abdukarimov**, has been elected by his peers to become Vice-President of Finance in the KIMEP student government. In this important role, Bunoyd oversees the activ-

ities of the budget committee and manages the proper allocation of funds to university clubs and organizations. AUCA junior **Kanat Osmonov** was elected head of the Financial Committee of the AUCA Senate this year, becoming the first U.S.-CAEF Fellow to hold an elected office in the AUCA student government.

Following the example of their older counterparts, entering Enterprise Fellows have also taken up leadership roles in university organizations. Since the start of the academic year, **Bekzhan Akbayev** has been fulfilling the position of editor-in-chief of KIMEP PIE, the first student magazine reporting on the territory of the CIS. Another freshman, **Mustafa Ziyatbekov**, became head of sponsorship for KIMEP Friends, a university club engaged in large-scale campus-wide events.

ENHANCING LEARNING THROUGH PRACTICAL EXPERIENCE



ZHAKSAT BASSEN

U.S.-CAEF Fellows actively seek professional development opportunities to better prepare for their future careers. To meet this demand, numerous career planning, professional development, and team-building seminars are organized by U.S.-CAEF.

During this reporting period, U.S.-CAEF arranged special presentations by expert guest speakers on such topics as the business environment, export potential, and trade development in Central Asia. U.S.-CAEF also arranged special workshops on personal development, career planning, social entrepreneurship, project development, time management, and budgeting for Enterprise Fellows. Such activities help fellows develop important soft skills, learn about local industries, establish important business contacts, and explore potential career paths. They also stimulate fellows to seek opportunities to apply their knowledge and skills outside the university. A few examples include:

KIMEP Fellows **Zhaksat Bassen** and **Karimkhon Bukhadurov** have been selected to participate in internship programs organized by E2 Educational Services LLC, located in Seattle, USA. In summer, 2016 Zhaksat took part in an intensive entrepreneurial leadership program, which allowed him to immerse himself in U.S. business culture, meet with founders and executives of some of the largest corporations and fastest growing small and medium-sized enterprises, and visit 15 dynamic companies over the course of one month in Seattle and Chicago. Karimkhon was selected to participate in the organizations' highly competitive one-year customized internship program, and currently, he is interning as a business analyst at APEX Facility Resources, a provider of top quality office furniture in Seattle.

As part of the FLEX Exchanges to Internships program, two AUCA juniors, **Zhamilia Klycheva** and **Inna Tsoi**, were selected to intern at the Ministry of Finance of the Kyrgyz Republic and the State Agency for Antimonopoly Regulation, respectively, from April to June, 2016. This highly competitive program, created by the U.S. Embassy in Kyrgyzstan and American Councils in 2011, offers only 10 internship places



JAMSHEDI UMARZODA

ments each year. "Not only I was introduced to the public sector and applied my knowledge and skills, but I also learned a lot outside of my major, in particular, about law, negotiations, and business communication," wrote Inna about her internship experience.

During the summer, KIMEP senior **Jamshedi Umarzoda** developed new skills working with advanced program applications for business management while interning at Astana Motors, and sophomore **Daniyar Abdiev** found his career path through his internship with the US Embassy in Bishkek. "This experience helped me realize how IT is important for my future career in business and it influenced my decision to take classes related to computer science in the fall semester," Daniyar recently wrote.

On May 24, 2016 **Makhabat Tashbaltaeva** volunteered for Central Asian Franchising Expo 2016, organized by East Star Capital investment fund. Over 500 entrepreneurs from Australia, Malaysia, Kazakhstan, Kyrgyz Republic, Russia, Tajikistan, Turkmenistan, Vietnam, UK and the USA attended the Expo. This experience helped Makhabat gain valuable insights into franchising opportunities in Central Asia.

Deeply committed to improving economic conditions in Kyrgyzstan, **Kuttubek Rakhmanberdiev** has already used his knowledge to contribute to the development of his community. Last summer he organized a summer camp for students in his native Talas, where he provided participants with information about educational opportunities and encouraged them to pursue their dreams. During the camp, Kuttubek met Melis Abdyrashitov, owner of a small newspaper, who was experiencing many problems with his business. With Kuttubek's assistance, Melis was able to receive an international grant and revamp his business. Using the social networking tools and other marketing strategies that Kuttubek shared with Melis, the company has increased its profits by 15-20% within just three months. In addition, the website that Kuttubek helped Melis create for his business has become a useful platform for other local businesses seeking to advertise.

FIRST STEPS TO ENTREPRENEURSHIP

Professional development activities often motivate fellows to take steps toward creating their own startups. Participation in Business & Life Skills, a two-month training program organized by Instream Youth Foundation, inspired AUCA senior **Azim Tilekov** to search for business ideas. Azim's marketing research found that during the winter and spring seasons, only 20% of tomatoes and cucumbers come from local greenhouses in the Kyrgyz Republic, while 80% are imported produce from China. This discovery encouraged Azim to build a greenhouse, which he successfully completed in October, and where he is now growing tomatoes and cucumbers for sale.

To complement her AUCA education, **Gulnaza Khalmanbetova** attended the School of Young Social Entrepreneurs, a joint program of the Association of Social Entrepreneurs of Kyrgyzstan and USAID, in 2013, and won a grant for a social art project for disabled women in Osh. This success encouraged Gulnaza to open her own start-up, Datka shop, during her junior year in her native Osh, which she has been managing remotely. The shop specializes in customized handmade decorations, pillows, and other crafts for different occasions. Currently, Gulnaza has three employees, and the shop is operating well.



GLOBAL EXPERIENCE & INTERNATIONAL CONFERENCES

Fellows also recognize the need to bring a global perspective to the economy of the Central Asian region. Therefore, they use every opportunity to enrich their knowledge and experience through participation in various international events and programs.

Alexandr Kinyakin and **Haknazar Hallygylyjov** represented Turkmenistan at the Central Asian Youth Network (CAYN) Conference, organized by OSCE on July 5-7, 2016 in Almaty. The conference brought together 26 motivated and academically qualified students from Central Asia, Mongolia and Afghanistan to share their thoughts on existing threats to security in the region. Seven of them, including **Haknazar Hallygylyjov**, were subsequently invited to Vienna to learn about the work of the OSCE and its institutions during a two-day study visit on November 25-26, 2016. "I had a chance to meet with Secretary General Lamberto Zannier and discuss political and security issues in

Central Asia with the members of delegations from Austria, the Russian Federation and the United States. The conference also gave me fresh ideas about what I want to achieve in my professional career," wrote Haknazar.

On March 20-26, 2016, **Zhamilia Klycheva** participated in the Get Engaged Conference organized by the Bard Center for Civic Engagement, which was held in Budapest, Hungary. The conference gathered 40 students from six different colleges, including AUCA. The main goal of the conference was to gather socially active youth and engage students in community building through social projects. Zhamila had a chance to present her project, called IGROWE, at the conference. IGROWE teaches school children from her hometown Balykchy the importance of self-education. The project has been successfully operating since its launch in April, 2015.



ALTYNAI MELISOVA (LEFT) & ZHAMILIA KLYCHEVA (RIGHT)



HAKNAZAR HALLYGYLYJOV (RIGHT) AT OSCE IN AUSTRIA



ASEL KALDYBAEVA IN THE US

AUCA senior **Adel Sultanbekova** was selected to participate in the Miracle Corners of the World Conference, held in New York City in July 2016. According to Adel, during the conference she developed a deeper understanding of social issues and the needs of her community.

During the summer, **Altynai Melisova** traveled to Cyprus to attend Business Education Week, organized by Eastern Mediterranean University. "I learned about international trade, EU and US standards of market entry, duty free and taxation, offshore companies and outsourcing. All sessions were quite challenging and useful," wrote Altynai.

Four AUCA Fellows – **Zhibek Kamalbek kyzy**, **Azatbek Ismailov**, **Guliza Almazbek kyzy** and **Takhmina Zakirova** participated in the Silk Way Model UN Conference held in Almaty on April 29-May 1, 2016. Over 400 students from different countries took part in this event to discuss global economic, social and political issues.

Many U.S.-CAEF Fellows regard study abroad as a critical component of their higher education experience. Therefore, it is no surprise that the number of students interested in exchange programs is consistently large. In AY 2015-16, 27 U.S.-CAEF Fellows were selected to participate in international exchange programs in Austria, Bulgaria, Croatia, the Czech Republic, Latvia, the Netherlands, Poland, South Korea, Turkey and the USA. "It was interesting to experience a different educational system, which is more focused on the practical side of studies through getting real life experience and working on personal projects. I especially enjoyed my Entrepreneurship and Project Management classes, which proved to be most valuable," wrote **Aidai Topchubaeva**, about her experience at Varna University of Management in Bulgaria.

For **Asel Kaldybaeva**, who spent her spring 2016 semester at Augustana University, Sioux Falls, SD, USA, participation in the UGRAD program was first of all an opportunity to gain insight into the U.S. business life. "Every week I participated in the events organized by the business incubator, The Bakery, where I met local entrepreneurs who discussed their business issues and helped each other with advice. Through this incubator I found an internship with The FutureScope 3D Printing LLC and learned a lot about the 3D business. I also had a chance to attend the annual shareholder's meeting of Berkshire Hathaway Company, where I listened to the speeches of such famous people as Warren Buffet, Charlie Munger, and Bill Gates," wrote Asel.

RISING TO THE CHALLENGE: FELLOWS FARE WELL IN BUSINESS COMPETITIONS



DANA KUSSAIN

Every year, U.S.-CAEF Fellows take part in challenging business competitions to test their knowledge and skills; as in past years, our current Fellows fared well against their peers, garnering numerous prizes.

Two AUCA Fellows, **Guliza Almazbek kyzy** and **Adylbek Kenzhebek**, became finalists of Top Talents, a unique project organized by AIESEC, an international student organization, which allows youth to work on solving real business cases from leading companies. After the demanding competition, which included business games and interviews, Adylbek and Guliza were among the 40 best business students, selected from among 300 participants from all over Kyrgyzstan, to take part in the final stage of the competition. Adylbek's team, which worked on a business project with Air Manas Company, came in first and won a one-week trip to India.

KIMEP senior **Dana Kussain** won PwC's Smart and Taxy case competition; earned the title of Super Accountant during the fall semester among university students in Kazakhstan; and recently

was included in the catalogue of "100 Top Students in Almaty" by Elite Magazine. On April 23, 2016 another KIMEP senior, **Nazerke Zarlykhanova**, helped her team win the annual PwC Accounting Olympiad. Nazerke impressed PwC partners and consultants with her knowledge of finance and was awarded a one-month internship in PwC's Assurance Department in Almaty, Kazakhstan. In Bishkek, **Azim Tilekov's** unique business plan to create sky lodges for tourists in the Kyrgyz mountains helped his AUCA team win first prize in a marketing contest held at the Kyrgyz Economic University on March 25, 2016.

On May 18, 2016 five U.S.-CAEF Fellows – **Azatbek Ismailov**, **Kanat Osmonov**, **Chyngyz Begimkulov**, **Altynai Melisova** and **Zhibek Kamalbek kyzy** – won the Golden Cup during the finals of Quizonomics, organized by Central Asia Free Market Institute (CAFMI) in Bishkek. Quizonomics is a tournament in which teams compete with each other while answering questions related to economics, business and marketing. On June 10, **Begimai Bolotbekova** took part in the National ENACTUS competition 2016 held in Osh, where ENACTUS AUCA competed with other teams from eight Kyrgyz universities. Out of 10 teams, four were selected to participate in the finals, and Begimai's team was among those selected. "Although we did not win, we were



ADYLBEEK KENZHEBEK



proud to present our projects, which helped improve the lives of 125 people. Especially, I was proud of our TIFE (Teenagers in Free Enterprise) project. ENACTUS AUCA coordinated this project, which teaches teenagers to write business plans, connects them with local businesses, and organizes business games and competitions. Our students not only learned to write business plans, but they implemented their own mini enterprise projects and earned 248,000 soms (\$3678.71) in just 2 months. I was proud to present these results as a speaker. I think taking the fourth place is only a big motivation for our team to go further," wrote Begimai.

COMMUNITY OUTREACH

During the 2015-16 academic year, Enterprise Student Fellows were involved in a wide range of initiatives that helped them make a difference in their communities while developing the skills to become socially responsible business leaders. Fellows organized charitable events and fund-raising activities for local orphanages and disabled people, took part in multiple business development projects, provided consultations to local startups, implemented several environmental and health awareness projects, and helped organize important conferences, meetings, and exhibitions. Below we would like to offer just a few examples of our fellows' involvement in projects that benefit society:

Five AUCA fellows – **Kanat Osmonov**, **Azatbek Ismailov**, **Altynai Melisova**, **Zhibek Kamalbek kyzy** and **Zhamilia Klycheva** – won Global Youth Service Day grants to conduct social projects promoting healthy lifestyles and environmental awareness in their communities. GYSD is a coordinated annual event that gathers young people around the world in conducting services to benefit their communities. Activities are organized in more than 100

After winning the national Growth Driver Competition, AUCA seniors **Anisa Atalova** and **Tynystan Talantov** became the first AUCA students to represent the Kyrgyz Republic at the final, international Growth Driver Competition event in Moscow. Growth Driver is a unique educational project sponsored by Moscow State University that allows undergraduate business students to demonstrate their knowledge of corporate finance and their ability to solve real cases. Around the same time, a KIMEP Fellow **Aleksandr Kinyakin** of Turkmenistan became the winner of "Monarchical Capital – Moncap 2.0", an economics game, organized by KIMEP University in partnership with the Center of Applied Economics Dana Zhol.

countries each April and engage millions, making it the largest annual celebration of young volunteers.

Two AUCA seniors, **Gulnaza Khalmanbetova** and **Asel Kaldybaeva**, participated in an IFC project aimed at promoting financial literacy in Kyrgyzstan on July 25- August 15, 2016. The goal of the campaign was to collect statistical data to analyze the behavior of loan users. "Using our knowledge, we consulted borrowers on how to use loans in a smart way. The inefficient use of loans by the rural population of Kyrgyzstan has become an economic burden. I hope this project will make a positive contribution towards decreasing inefficient use of loans in Kyrgyzstan," wrote Asel.

With support from AUCA President Andrew Wachtel during her sophomore year, **Altynai Melisova** created The Hifive Academy to help local high school students plan successful careers and apply for scholarships in order to finance their higher educations. Currently, Alynai is instructing two groups of ten students as part of her work in the academy.

As the team leader of an AIESEC social project called “Jump Above the Sky High,” **Meerim Moldalieva** organized a series of workshops and educational events from January 15 to February 28 to help young people develop leadership qualities, social awareness, and English skills. “To make the project more exciting we brought two volunteers from the Netherlands and Indonesia. We reached out to students from Arabaev Kyrgyz State University, Balasagyn Kyrgyz National University and High Time English Center. Although the project lasted for a short period, it made a positive impact on local students. They became aware of their international rights and were motivated to study English,” wrote Meerim.

KIMEP senior **Chynara Erkulova** shared her success story with the audience at TEDxOsh in June 2016, where she encouraged parents to provide equal educational opportunities for girls. Chynara was the only student among the program’s seven speakers, all of whom were established professionals in the fields of business, politics, arts and sports. One of the major discussion points of the TEDxOSH program was related to women’s rights. Chynara shared her personal story of growth and self-development through the opportunities offered by the U.S.-CAEF and FLEX programs.

Also during the same summer, U.S.-CAEF fellow **Zarrinakhon Mulloboeva** conducted a three-day workshop called “Girls for Girls,” designed to inspire and encourage girls between the ages of 15 and 17 to pursue their professional dreams and enroll in higher education. More than 20 young women from Khujand and Sughd regions attended the workshop, during which they learned about the success stories of female leaders in business and government, engaged in esteem-building games, and discussed their hopes for the future with like-minded peers. “As a result of the project, the participants developed a better understanding of their rights and opportunities and became inspired by female community leaders to implement their own projects,” shared Zarrinakhon.

Seven U.S.-CAEF Fellows – **Altynai Melisova, Guliza Almazbek kyzy, Aizhan Kerimbek kyzy, Bekzhan Tashbaev, Kanat Osmonov, Aizhan Kerimbek kyzy** and **Azatbek Alibaev**- joined 20 volunteers selected to conduct a survey during the second World Nomad Games which took place in Issyk Kul, Kyrgyzstan from September 3 – 8, 2016. The survey was originally developed in 2014 by Business Growth Initiative (BGI), a USAID project in the Kyrgyz Republic. The purpose of the project is to improve the tourism sector in the country. Within five days of the event, our fellows surveyed about 4,000 tourists. In recognition of the students’ high-quality work on the collection of survey data, each received an iPad mini 4 from BGI on September 19.



KIMEP FELLOWS VISITING ORPHANAGE IN ALMATY



ASEL KALDYBAEVA CONSULTING LOAN USERS



MEERIM MOLDALIEVA WITH PARTICIPANTS OF JUMP ABOVE THE SKY HIGH



AUCA FELLOWS WHO CONDUCTED SURVEY AT WORLD NOMAD GAMES

INTERN FELLOWSHIPS



2016 CAPSTONE FELLOWS AIIDA BAGYTZHANOVA,
YULIYA DAVYDENKO, NAZERKE ZARLYKHANOVA
& CHYNARA ERKULOVA

REGIONAL SUMMER INTERNSHIP PROGRAM

The Foundation's Regional Internship program offers fellows the opportunity to take the first steps on their career paths. The program continues to draw a significant number of fellows despite the wide range of competing employment and educational opportunities available in the summer months. The program allows Interns to explore their professional interests and examine new career paths, learn practical work skills, expand their knowledge, and gain first-hand experience in professional work-place settings.



FROM LEFT TO RIGHT: ZUHRO GANJIBEKOVA, SHAHLO JONMAMADOVA, ZUHRO QONUNOVA & OSIYA OLIMNAZAR

This year, a total of 12 sophomores were selected to participate in summer regional internships. Four Tajik sophomores – **Zuhro Ganjibekova** and **Osiya Olimnazar** from AUCA, and **Shahlo Jonmamadova** and **Zuhro Qonunova** from KIMEP – took part in the first U.S.-CAEF summer internship program in Dushanbe. The program was organized in partnership with the American Chamber of Commerce in Tajikistan and proved highly successful. “The internship helped me not only improve my auditing skills, but also to realize the importance of keeping up-to-date not only on your industry, but also outside your field. In addition, this experience opened new opportunities for me – I was offered another internship with this company next summer leading to subsequent employment in the future. I think it was a very good decision to have the program in Tajikistan,” wrote **Shahlo Jonmamadova** about her internship experience at Crowe Horwath ACG, which specializes in audit, accountancy, tax, legal and advisory services. **Zuhro Qonunova** writes, “Even though we study in a foreign country, I personally see myself in the future in Tajikistan and I am glad that now I have an understanding of what it is like to work here, what to expect and, of course, RSM might be a company where I see myself when I graduate. I highly encourage future U.S.- CAEF interns to use this opportunity

The Foundation is grateful to the companies in Kazakhstan, the Kyrgyz Republic and Tajikistan that have hosted Enterprise Regional Interns since the inception of this program in 2009:

- ADM CAPITAL
- ALPHA TELECOM
- ARDAMINA TEXTILE COMPANY
- ARLAN FINANCE LLC
- ASIA UNIVERSAL BANK
- BAI TUSHUM & PARTNERS MICROFINANCE BANK
- BEELINE KG
- BUSINESS CLINIC OF CENTRAL ASIA
- CAI CONSULTING
- CAPITAL BANK KAZAKHSTAN
- CHANNEL 7
- CROW HORWATH ACG TAJIKISTAN
- DELOITTE & TOUCHÉ TAJIKISTAN
- DEMIR KYRGYZ INTERNATIONAL BANK
- DININGSMART
- EURASIAN BANK
- FINCA MICROFINANCE BANK LIMITED
- FLAMINGO PARK
- FOREIGN INVESTORS ASSOCIATION
- GARANT, LLC
- HSBC BANK
- INTERNATIONAL BUSINESS COUNCIL
- INSPIRE CONSULTING
- KARAKOL COFFEE SHOP
- KAZINVEST
- KAZNETEVENTS
- KYRGYZ CONCEPT
- KYRGYZ CREDIT INVESTMENT BANK
- MANAS INTERNATIONAL AIRPORT
- MEGACOM
- MINISTRY OF FINANCE
- NATIONAL LEASING COMPANY
- POLYGON INTERNATIONAL, LTD
- PROJECT HOPE
- PROMOTANK
- RSM TAJIKISTAN
- RCG INVESTMENT FUND
- SAVE THE CHILDREN INTERNATIONAL
- SBERBANK OF RUSSIA
- SK LEASING JSC
- SHORO COMPANY
- TALAS COPPER GOLD, LLC
- TEACHING METHODS
- THE FARM
- THE UNITED NATIONS
- THE U.S. EMBASSY IN BISHKEK
- ZHETI ATA

and grow professionally”. Similarly, host companies expressed their satisfaction with the program and confirmed their eagerness to continue working with U.S.-CAEF interns in the future. “The AmCham-U.S.-CAEF partnership has been really helpful. We are trying to hire people with good knowledge of accounting, and when we do so, we are interested in their learning capabilities. The chances of getting hired increase greatly for KIMEP and AUCA students. ... my basic understanding is that students who have studied abroad have a better understanding of accounting and auditing principles because Tajikistan, in contrast to neighboring countries, only recently began transitioning to International Financial Reporting Standards and is still in that transition process,” wrote Osiya’s supervisor **Gulanor Atobek**, General Director, Deloitte & Touché, LLC.

The quotations below, excerpted from students’ evaluations, reflect Fellows’ thoughts about their internship experiences in Bishkek and Almaty:



MERYEM KARAKHASANOVA

FINANCE INTERN, INTERNATIONAL MANAS AIRPORT, BISHKEK

“These past two months were crucial for my professional development. After being put in professional working conditions, I have a better idea of what I really want for my future. Business administration is a broad field, which gives a variety of choices for a future job. In fact, when I was applying for the summer internship, I was sure I would spend it in the marketing field. But somehow I got involved in accounting, which, I believe, was a lucky chance for me.”



ZHIBEK KAMALBEK KYZY

HR INTERN, U.S. EMBASSY, BISHKEK

“I am grateful to the HR team for being helpful – and they never ignored my questions, everyone was so friendly and gave feedback after the completion of the tasks. I learned to be more professional, punctual and accurate.”



AIDAI TOPCHUBAEVA

ACCOUNTING INTERN, CAPITAL BANK KAZAKHSTAN

“I would certainly recommend Capital Bank to other U.S.-CAEF interns since the supervisor, Arystan Moldabekov, a U.S.-CAEF alumnus, does a great job making this experience special. He spent a considerable amount of time explaining to me different topics related to accounting, finance and reporting standards. His support was crucial; it helped me overcome all the challenges, deepen my interest in accounting, and made me think about a degree in finance. I feel more confident about the choice of my major and clearer about further steps I have to take.”



GULJEMAL HOJALYIEVA

MARKETING INTERN, KEREMET HOLDING, ALMATY

“I had a chance to test my theoretical knowledge and learn to work online, which helped me realize how much I like my major and how important it is for me to develop my digital marketing skills further. In the future, I’ll search for online marketing positions. This way I can start building my own business and at the same time work for another business.”

ENTERPRISE INTERNATIONAL CAPSTONE INTERNSHIP PROGRAM



CAPSTONE FELLOWS MAKHABAT TASHBALTAEVA (LEFT) & YULIYA DAVYDENKO

The U.S.-CAEF Enterprise International Capstone Internship Program is administered by American Councils in partnership with The Washington Center, TWC (www.twc.edu). Conducted in Washington, D.C., the program is designed to help postgraduate fellows decide a career direction and acquire the skills and experience needed to succeed.

Two groups of outstanding U.S.-CAEF Fellows participated in the U.S. Enterprise International Capstone Internship Program during the period of this report.

Our 2015 Capstone Fellows — **Jennet Gurbanmammedova**, **Amina Iqbolzoda**, **Valentina Khomenko**, **Nasiba Nurmatova**, **Oguljennet Taganova** and **Amantur Tynybekov** —successfully completed their fall semester program. The program helped them gain valuable workplace skills, explore career options, and build international professional networks. “My Capstone experience made me realize that I am on the right track and in the right sphere. Thanks to the challenging work and academic assignments, I learned a lot about the current trends in the food industry, which can help me find my niche in the area. In addition, it was a great opportunity to make many business and social connections,” wrote **Valentina Khomenko**, a recipient of a Swedish Institute Study Scholarship (SISS), who is currently pursuing her master’s degree in Strategic Entrepreneurship at Jönköping International Business School, Jönköping, Sweden.

Eight outstanding U.S.-CAEF Fellows – four per partner institution, comprising the largest overall number of participants since the program’s inception in 2011 — participated in the 2016 U.S. International Capstone Internship Program, which began on August 27: **Anisa Atalova**, **Aiida Bagytzhanova**, **Yuliya Davydenko**, **Chynara Erkulova**, **Adel Sultanbekova**, **Makhabat Tashbaltaeva**, **Tynystan Talantov** and **Nazerke Zarlykhanova**.

In keeping with their interests and skills, the fellows were placed in internships at the U.S. Small Business Administration, Studio Theater, Manchester Trade, IZAR Capital Group, Prep Factory and the 1776 business incubator. The interns were excited to embark on this experiential learning program.

“SBA, having few analogous agencies anywhere in the world, is a very unique and influential agency in the federal government. It is hard to underestimate the agency’s role in supporting the U.S. small businesses. The idea of creating a similar agency in Kyrgyzstan was in my head before I had learned about SBA; therefore, I was extremely excited to have an opportunity to intern at SBA, which could be potentially copied on a smaller scale in Central Asia,” wrote **Anisa Atalova** about her internship at the U.S. Small Business Administration.

In addition to the internship program, TWC offers a series of professional workshops that focus on career growth and soft skills.

Interns also receive four 30-minute sessions of professional coaching that help them develop important professional competencies, explore specific career paths, and develop strategies to succeed in their fields. "At TWC, every Friday we have Global Competencies class, which I find very beneficial, because it addresses issues relevant to students who have already graduated – to help them find their career path and excel professionally. Since it is a practical course, we have useful activities for professional development. For instance, we learned about the importance of emotional intelligence, which encouraged me to read a book about how to develop your EQ. In addition, TWC has assigned a coach to every student who helps you achieve three goals during your semester. I am very satisfied with the experience that I have gained so far, and I am sure that during this time in Washington DC, I will set clear and attainable career goals," wrote **Nazerke Zarlykhanova**.

Capstone Interns highly value the rich educational opportunities afforded by Washington, D.C.'s wide range of national and international policy centers, think-tanks, non-profits, media organizations, and cultural institutions. Among a wide range of enrichment activities this year, our interns attended guest lecture series and meetings at Johns Hopkins University, The George Washington University, Embassies of Kazakhstan and the Kyrgyz Republic, the National Endowment for Democracy, Ronald Reagan International Trade Center, the World Bank Group, the Center for Strategic and International Studies (CSIS), the CATO Institute, and the U.S - Kyrgyzstan Business Council. These events provided interns with the opportunity to build their international and professional networks and to interact with experts and leaders from a wide range of professional fields. The opportunity to attend a roundtable on business and trade cooperation between the U.S. and Kyrgyz diplomats, government and private sector leaders at the U.S - Kyrgyzstan Business Council ("Council") on October 10, 2016, became one of the most valuable meetings for our Kyrgyz interns. After the meeting, **Adel Sultanbekova** started to volunteer at the Council to help the organization promote new business initiatives, while **Anisa Atalova**, with the help of her internship supervisor at SBA, was able to establish important contacts between Kyrgyz entrepreneurs and DC and Texas small business development centers involved in international projects sponsored by the U.S. Department of State.

In addition to the vocational and educational components of their internships, fellows have many valuable opportunities to meet peers from the U.S. and other countries. TWC also arranges an International Festival, during which interns present their home-country cultures and learn about those of their peers. This year, our interns once again proudly represented their region at the festival, and for the first time, won the award for best presentation.



CAPSTONE 2016 FELLOWS, WINNERS OF THE CULTURAL PRESENTATION AT THE WASHINGTON CENTER, WASHINGTON, DC



ALUMNI



FROM LEFT TO RIGHT: U.S.-CAEF ALUMNI YUSUP ARTYKGULYEV,
ZARRINA YUNUSZODA, DARINA YAKOVLEVA, JEMAL AGAYEVA
& RUSTAMJON VAKHOBOV

Although the U.S.-CAEF Alumni community is relatively young, within this short time our fellows have shown their commitment to contribute to the vibrant economic development of Central Asia. Currently, the U.S. -CAEF Alumni Association ("the Association") comprises 167 members. Approximately 86 percent of all U.S.-CAEF Alumni have remained in the region, while roughly 4 percent have moved to Russia, and 10 percent have taken up temporary residence outside the region for advanced graduate study or employment. Of all employed alumni, about 54 percent are working for international companies; 32 percent are employed in local or regional companies in Central Asia, roughly 1 percent are in the government sector, and 14 percent have created their own companies.

The Association's leadership team represents both AUCA and KIMEP Universities, and four Central Asian Republics:



YELENA VOROBEY
PRESIDENT

ECONOMICS POLICIES
IN THE AGE OF GLOBALIZATION
PROGRAM | UNIVERSITÉ PARIS 13
PARIS, FRANCE



VALENTINA KHOMENKO
TREASURER

STRATEGIC ENTREPRENEURSHIP
PROGRAM, JÖNKÖPING
INTERNATIONAL BUSINESS SCHOOL,
JÖNKÖPING, SWEDEN



MADINA DAMIR KYZY
VICE-PRESIDENT FOR OUTREACH

AUDIT ASSISTANT | KPMG
BISHKEK, THE KYRGYZ REPUBLIC



MALIKA PULOTOVA
VICE-PRESIDENT FOR OUTREACH

CONTRACTS & PROCUREMENT
SPECIALIST | ZHAIKMUNAI
ORAL, KAZAKHSTAN



KARINA KUSSAINOVA
VICE-PRESIDENT FOR
PROFESSIONAL DEVELOPMENT

BUSINESS COACH | AMITY CONSULTING
BISHKEK, THE KYRGYZ REPUBLIC



JEMAL AGAYEVA
VICE-PRESIDENT FOR
PROFESSIONAL DEVELOPMENT

MASTER OF PUBLIC & MUNICIPAL
ADMINISTRATION | KIMEP UNIVERSITY
ALMATY, KAZAKHSTAN



DARINA YAKOVLEVA
VICE PRESIDENT FOR
REGIONAL NETWORKS

TRADE MARKETING
COORDINATOR | HENKEL
ALMATY, KAZAKHSTAN



JENNET GURBANMAMEDOVA
VICE PRESIDENT FOR
REGIONAL NETWORKS

TAX ACCOUNTANT
SCHLUMBERGER LOGELCO, INC
ASHGABAT, TURKMENISTAN



AMINA IQBOLZODA
VICE PRESIDENT FOR
REGIONAL NETWORKS

FINANCIAL ANALYST | EUROPEAN
BANK OF RECONSTRUCTION &
DEVELOPMENT (EBRD)
DUSHANBE, TAJIKISTAN

U.S.-CAEF ALUMNI ASSOCIATION MISSION STATEMENT:

The U.S.-CAEF Alumni Association is created to become an important channel of communication between all of the Association's members to complement the mission of the U.S. - Central Asia Education Foundation, and to join efforts in contributing to an entrepreneurial spirit and the economic prosperity of Central Asia.



In April 2016, the Association created and adopted a logo designed both to highlight its obvious connection to U.S.-CAEF while also identifying it as a discrete organization. The logo was reviewed extensively and voted on by all Alumni. It incorporates the official colors of our two partner universities (yellow-AUCA, blue-KIMEP) and uses a modern font that the Alumni members felt reflects their modern spirit. The Alumni also felt the yellow in the logo symbolizes their more mature station in life, as compared to the green of current (youthful) Enterprise Fellows.

COMMUNICATION & ALUMNI OUTREACH



In 2016, Facebook became a true platform for sharing information on educational, career development and job opportunities. The creation of Google groups has also become another powerful communication tool among alumni. As a result, Alumni engagement through active presence on social media has increased by 150%.



In addition to the leadership teams in Kyrgyz Republic and Kazakhstan, the Association has elected local officers for Tajikistan and Turkmenistan to strengthen ties with the Alumni in the region and encourage them to promote the Foundation's mission in these countries.



The first U.S.-CAEF Alumni reunion took place on November 5, 2016, in Bishkek. The gathering became not only a teambuilding social event but also an opportunity for exchange of business ideas between alumni, current fellows and local businessmen.

ALUMNI MILESTONES 2016

During the period of this report, the Association's leadership team significantly increased its activities, engaging new alumni in a wide range of activities. Among the leadership team's most significant accomplishments were:

PROFESSIONAL DEVELOPMENT

In 2016, Alumni engagement in U.S.-CAEF activities increased by 120%. The alumni events were focused on further strengthening the bonds between current fellows and alumni through professional and personal development workshops as well as teambuilding and networking events.

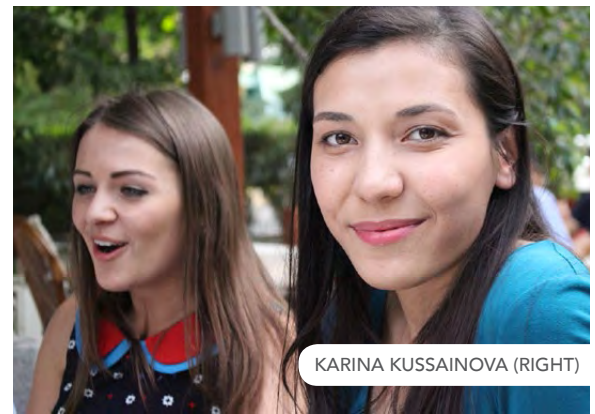


Encouraged by the success of the 2015 Strengths Quest workshop organized for AUCA seniors by the Association in partnership with Inspire Consulting, a Bishkek-based firm, the alumni officers decided to conduct similar sessions for students of all cohorts. Once again, Strengths Quest proved to be the most highly rated workshop among fellows both in Almaty and Bishkek. "I realized that particular features of my character could be used as my strengths. So this gives me an incentive to develop them further and not to concentrate on my weaknesses only. This is a new approach for me, which will also help me improve my relationships with other people by concentrating on their strengths," wrote senior **Adel Sultanbekova**, who attended the workshop in Bishkek. **Aknur Tassymbekova**, who participated in the session in Almaty for KIMEP Fellows, commented: "The workshop was amazing. I have learned a lot about myself and everyone around me. This insightful presentation contained several innovative ideas that I have already started to use, and now I am feeling the changes. I didn't even realize that it was possible to share so much practical and theoretical information within one day. Moreover, it was exactly what I need now, before graduation when I feel uncertain about my future."

COMMUNITY OUTREACH

YOUTH SOCIAL ENTREPRENEURSHIP PROJECT

Karina Kussainova (AUCA Class of 2014), Vice-President for Professional Development, spearheaded the creation of the Youth Social Entrepreneurship Project (YSEP) in May 2016, in Bishkek. Currently, the organization has its official logo and Facebook page. Twenty-four sophomore and freshmen fellows are involved in YSEP's community outreach activities which include tutoring children and organizing fund-raising events in support of a local orphanage.



KARINA KUSSAINOVA (RIGHT)

BETTER UNDERSTANDING FOR A BETTER WORLD

Izat Osmonov (AUCA class of 2013) led a group of volunteers that included several U.S.-CAEF alumni and current fellows to organize a four-day conference called "Better Understanding for a Better World" (BUBW), held for the first time in Bishkek on July 13-17, 2016, in cooperation with the Civilizations Exchange & Cooperation Foundation (CECF) and the U.S. Embassy in Kyrgyzstan. One hundred participants from all over the world attended BUBW to discuss such vital topics as sectarian tensions, civic engagement, and the danger of extremism and radicalism. "BUBW has changed my thoughts about different religions, including my own. One important thing I learned from the conference that I will remember throughout my life is that if you understand your own religion, then you will be able to understand other religions," wrote Nigora Burhonova, a U.S.-CAEF sophomore Fellow.



IZAT OSMONOV (RIGHT)

INNOVATE FOR CHANGE 2016

Amina Iqbolzoda (KIMEP Class of 2015), Alumni officer in Tajikistan, organized Innovate for Change, a social entrepreneurship workshop for youth, in partnership with Tcell and Sheraton Hotel on August 1-12, 2016, in Dushanbe. Participants learned about different aspects of entrepreneurship and social change from the CEOs of local companies, social entrepreneurs and community leaders; engaged in real projects offered by Sheraton and Tcell; and received funding for the realization of their ideas. Several U.S.-CAEF Alumni and current Fellows took part in the workshop. "We all want to see our country become a better place by strengthening education, improving infrastructure, and investing in people, but not all of us know how. During a 12-day program 'Innovate for Change,' participants got a bit closer to the answer. We learned about social entrepreneurship and its power to bring positive changes to communities and met inspirational people who are in the forefront of the development efforts in Tajikistan. I personally saw opportunities for my career and future projects I couldn't imagine existed at home," wrote **Zarrinakhon Mulloboeva**, a KIMEP senior.



AMINA IQBOLZODA



U.S. Central Asia
Education Foundation

GRADUATION
2016

U.S. Central Asia
Education Foundation

GRADUATION
2016

U.S. - CAEF ENTERPRISE
FELLOWSHIP PROGRAM
GRADUATION
2016

U.S. - CAEF ENTERPRISE
FELLOWSHIP PROGRAM
GRADUATION
2016

Malka Ibragimova
Alumni 2015
BA

FELLOWSHIP
GRADUATION
2016

2016 STEVEN F. SHEA AWARDS FOR ALUMNI

A total of six U.S.-CAEF Alumni, three from AUCA and three from KIMEP, were honored this year with the Steven F. Shea Excellence Award for their significant professional achievements, service to the community, and active commitment to the economic development of Central Asia. From among the Alumni, one individual from AUCA and one from KIMEP, were selected to receive the top honor of \$1,000 and a plaque of recognition. In addition, four honorable mention candidates, two from each university, were also selected to receive a certificate of recognition and a monetary grant of U.S. \$250.

Stephen D. Weinroth announced the Alumni awards for former KIMEP Fellows at the U.S.-CAEF reception for graduating Fellows in Almaty on May 21, 2016; Margaret Grieve announced the Alumni awards for former AUCA Fellows during the U.S.-CAEF graduation reception in Bishkek on June 5, 2016.

FROM LEFT TO RIGHT: AUCA ALUMNI ULUKBEK ABDUBALIEV,
MALIKA IBRAGIMOVA, ZHURSUN ISMAIL KYZY & ASYLGUL KENZHEBAEVA

AWARD WINNERS



IRINA ABASOVA

KIMEP CLASS OF 2012
ENTREPRENEUR, CREAT3D
KAZAKHSTAN

After graduating KIMEP in 2012, Irina worked in the analytics department of Kaspi Bank, where she spearheaded a customer forecasting program that she and her co-worker created from scratch. Kaspi Bank became the first bank in Kazakhstan to introduce models for predicting customer behavior. Due to the impact of the project on the bank's success, this small department that started with only two employees was expanded; it now employs 13 specialists who use the program established by Irina and her colleague.

Once the program got on solid footing, Irina decided to pursue her dream of becoming an entrepreneur. Irina spent 1,000 USD to start her 3D printing business which within just six months had grown into a small company of five people. Irina has big plans and intends to expand her business, which she hopes will bring not only profits, but also benefits to her community. In January 2016, Irina used 3D printing technology to create an artificial arm for an 11-year old cancer patient. This success encouraged her to focus on projects that can bring positive changes to her community.



ULUKBEK ABDUBALIEV

AUCA CLASS OF 2015
PROJECT DIRECTOR, AVISA TECHNOLOGIES
BISHKEK, KYRGYZ REPUBLIC

After graduating from the Business Department of AUCA summa cum laude in 2015, Ulukbek started his career as a project manager at Avisa Technologies, an innovative company involved in educational development projects. Within several months of his employment, Ulukbek was promoted to director of educational programs due to his contribution to the success of two projects – one related to child safety measures in emergency situations and another devoted to digitizing books. Both projects have received approval from the Ministries of Health, Emergency Situations, and Education. In addition, Ulukbek is an active alumnus of the AIESEC international youth organization. He manages activities of the volunteer team, foreign intern recruitment, and strategic development. Ulukbek, who is also a UGRAD alumnus, was able to establish a partnership between AIESEC USA and AIESEC Kyrgyzstan, which opened new opportunities for cultural, educational, and professional exchanges between the young people of the two countries.

HONORABLE MENTION



MALIKA IBRAGIMOVA

AUCA CLASS OF 2015
ECONOMIST, KYRGYZALTYN
BISHKEK, KYRGYZ REPUBLIC

Upon her graduation from the Economics Department of AUCA with honors in 2015, Malika started her career as an economic expert at Kyrgyzaltyn, one of the major companies in the Kyrgyz Republic specializing in the development of the nation's gold deposits. Malika has been trusted with the company's most important projects, such as the strategic plan for Kyrgyzaltyn, the main focus of which is the restructuring of a big government-owned mining company into a new holding-like institution. In October 2015, Malika took part in the Life in Kyrgyzstan conference held in Bishkek, during which she won a prize for her paper, Socio-Economic Determinants of Life Satisfaction in Kyrgyzstan. An active member of her community, Malika also recently organized a fund-raising event to support the Children's Rehabilitation Center "Umut" in Bishkek.



MERUERT ZHUMAGULOVA

AUCA CLASS OF 2015
MASTER'S PROGRAM IN BIOECONOMY
UNIVERSITY OF HOHENHEIM
STUTTGART, GERMANY

After graduating AUCA's Business Administration Department in 2015, Meruert worked as a marketing specialist at Namba, successfully promoting tourism and the company's catering services and mobile apps. In 2016, Meruert received a full scholarship from DAAD (German Academic Exchange Service) to study Bioeconomics at the University of Hohenheim, Stuttgart, Germany. Meruert hopes that this graduate program will help her expand her knowledge about the food industry and explore efficient ways of creating and improving industrial processes that she can use in her native Kyrgyzstan. In her free time, Meruert teaches German to foreign students at the Partner School Initiative in Germany.



ARTUR SEMEYUTIN

KIMEP CLASS OF 2013
PHD PROGRAM IN ECONOMETRICS
UNIVERSITY OF HUDDERSFIELD, UK

An Erasmus Mundus scholarship recipient, Artur completed his master's degree in International Business Management at the University of Huddersfield, UK with honors in February 2015. In recognition of his academic excellence, Artur received a Vice-Chancellor's Scholarship to continue his study of Econometrics in the university's PhD program. Artur attends seminars on current teaching methodologies in economics at the University of Westminster as well as seminars at the University College of London on nonparametric approaches in economics that he will use in his post-graduate research. In addition, Artur conducts training sessions and tutorials for students from Central Asia in the area of statistics and its applications in economics and finance.



GUFRONJON AYUBJONOV

KIMEP CLASS OF 2014
ENTREPRENEUR, COMMERCE COORDINATOR
SAROB COOPERATIVE, KHUJAND, TAJIKISTAN

After completing his business degree at KIMEP University in 2014, Gufronjon returned to his native Tajikistan, where he was hired as an intern at Sarob Cooperative, a company that promotes business development in the country. Within four months of his internship, he was offered a permanent job and promoted to Commerce Coordinator in the Sougd region. In this role, Gufronjon participates in important meetings with the local hukumats (government administrations), contributes to Sarob's efforts to promote small and medium enterprises through the local media, and represents his company at international conferences. In 2015, Gufronjon and his colleagues founded a limited liability company that offers agricultural services such as wheat harvesting, pressing, and cultivating. Currently, Gufronjon is one of the shareholders and serves as an accountant for the company.

FROM IDEAS TO ACTION

Despite the challenging business environment of Central Asia, many U.S.-CAEF Alumni aspire to turn their ideas and passions into new business ventures. Several are already running successful startups, while others, such as **Ignatii Kim** of Kyrgyzstan (AUCA Class of 2014), **Yuliya Baliyeva** of Turkmenistan (KIMEP Class of 2013) and **Yerassyl Toleugazinov** (KIMEP Class of 2016) recently launched promising new ventures in the fields of education, medical care, and transportation.

In summer 2016, **Ignatii Kim** co-founded an educational center, Exchange Studio, in Bishkek, Kyrgyz Republic. Currently, the center has three full-time and three part-time employees, and about 40 students. Exchange Studio provides a wide range of educational programs, including intensive English classes, English for university admissions, test preparation, essay writing, and application preparation for Fellowship competitions, as well as German and Chinese language study.

"The idea of the studio reflects my social position. I have always been dreaming about helping youth develop their potential. Therefore, the mission of Exchange Studio is not only to educate, but also to give an opportunity to students to develop important qualities that will help them face life's challenges and achieve success," wrote Ignatii, who sees a huge potential in the future of the center because it strives to meet social needs of youth and stimulates positive changes in the local community.

As a mother of two children struggling to find adequate pediatric care, **Yuliya Baliyeva** felt a great need for quality medical services in Kazakhstan. This realization prompted her to carry out market research, which identified major problems in the healthcare system and inspired her to create Euro Connection, a clinical laboratory for the detection, diagnosis and treatment of diseases. As of June 2016, the company's income had grown by 230%. Encouraged by these results, Yuliya intends to expand her business. "I am planning to open two more offices. I will wait until I get to the break-even point. Besides, I am eager to widen the scope of services. It will include not only diagnostics but also treatment of people. There is a new government program in Kazakhstan which allows privatizing state medical hospitals. You can rent a medical facility for 5 years with an opportunity to buy it out. The price seems to be reasonable. So transition to the treatment sector is quite viable," Yuliya recently wrote.

Yerassyl Toleugazinov's entrepreneurial mindset helped him notice a business opportunity that came to his attention last summer when two major online transportation network companies – American Uber Technologies and Russian Yandex Taxi – made first steps to enter the Kazakh market. With support from a Russian investor, Yerassyl and his partner, also a KIMEP alumnus, opened a Yandex franchise, KazGosGroup LLP, in Almaty to recruit drivers for Yandex. "It was challenging to start working in this sphere, since none of us had relevant experience. According to our business model, we started connecting individual drivers to Yandex Taxi, and reached over 500 cars registered in the system within two months. The entrance of Yandex Taxi and Uber in the local market has positively affected our people because a big amount of investments is coming from them. They provide people with official jobs, and it became safer for people to use a taxi. We decided to expand our business to Astana and have just created a new company, Young Astana LLP," wrote Yerassyl.





YERASSYL TOLEUGAZINOV (LEFT)



IGNATIY KIM (LEFT) WITH STUDENTS AT EXCHANGE STUDIO



YULIYA BALIYEVA

FINANCIAL STATEMENTS



INDEPENDENT AUDITORS' REPORT

January 30, 2017

To the Board of Directors
U.S. - Central Asia Education Foundation
Washington, DC

We have audited the accompanying financial statements of U.S. - Central Asia Education Foundation (a nonprofit organization), which comprise the statements of financial position as of September 30, 2016 and 2015, and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of U.S. - Central Asia Education Foundation as of September 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Certified Public Accountants
Portsmouth, New Hampshire

STATEMENTS OF FINANCIAL POSITION

• SEE NOTES TO FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30		2016	2015
ASSETS			
CURRENT ASSETS	CASH & CASH EQUIVALENTS	\$406,280	\$699,094
	ACCRUED INTEREST & DIVIDENDS RECEIVABLE	\$34,722	\$38,241
	PREPAID EXPENSES & OTHER ASSETS	\$204,158	\$130,585
	TOTAL CURRENT ASSETS	\$ 645,160	\$867,920
OTHER ASSETS	INVESTMENTS (NOTE 4)	\$6,767,748	\$7,437,569
	HYBRID FINANCIAL INSTRUMENTS (Including decrease in fair value of \$26,833 in 2014 and \$20,820 in 2013) (NOTE 5)	--	\$184,382
	TOTAL OTHER ASSETS	\$6,767,748	\$7,621,951
TOTAL ASSETS		\$ 7,412,908	\$8,489,871
LIABILITIES & NET ASSETS			
CURRENT LIABILITIES	ACCOUNTS PAYABLE & ACCRUED EXPENSES	\$18,057	\$21,592
	TOTAL CURRENT LIABILITIES	\$18,057	\$ 21,592
NET ASSETS	UNRESTRICTED NET ASSETS	\$7,394,851	\$8,468,279
	TOTAL NET ASSETS	\$7,394,851	\$8,468,279
TOTAL LIABILITIES & NET ASSETS		\$7,412,908	\$8,489,871

YEARS ENDED SEPTEMBER 30		2016	2015
REVENUES & OTHER SUPPORT	CONTRIBUTED SERVICES (NOTE 6)	--	\$32,348
	INVESTMENT INCOME (NOTE 4)	\$153,568	\$166,219
	TOTAL REVENUES AND OTHER SUPPORT	\$153,568	\$198,567
EXPENSES	PROGRAM SERVICES (NOTE 1)		
	ENTERPRISE STUDENT FELLOWSHIPS	\$1,257,933	\$1,246,701
	ENTERPRISE FACULTY FELLOWSHIPS	--	\$1,575
	ENTERPRISE INTERN FELLOWSHIPS	\$233,750	\$221,361
	TOTAL PROGRAM SERVICES	\$1,491,683	\$1,469,637
	MANAGEMENT & GENERAL	\$108,570	\$121,087
	TOTAL EXPENSES	\$1,600,253	\$1,590,724
CHANGE IN UNRESTRICTED NET ASSETS BEFORE REALIZED & UNREALIZED GAINS (LOSSES) ON INVESTMENTS		(1,446,685)	(1,392,157)
REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS		373,257	(236,237)
CHANGE IN NET ASSETS		(1,073,428)	(1,628,394)
NET ASSETS, BEGINNING OF YEAR		\$8,468,279	\$10,096,673
NET ASSETS, END OF YEAR		\$7,394,851	\$8,468,279

STATEMENTS OF FINANCIAL POSITION

• SEE NOTES TO FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30		2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES			
CHANGE IN NET ASSETS Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		(\$1,073,428)	(\$1,628,394)
REALIZED & UNREALIZED (GAINS) LOSSES ON INVESTMENTS		(\$373,257)	\$236,237
CHANGES IN OPERATING ASSETS & LIABILITIES:	ACCRUED INTEREST & DIVIDENDS RECEIVABLE	\$3,519	(\$6,835)
	PREPAID EXPENSES & OTHER ASSETS	(\$73,573)	(\$22,597)
	ACCOUNTS PAYABLE & ACCRUED EXPENSES	(\$3,535)	\$3,221
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		(\$1,520,274)	(\$1,418,368)
CASH FLOWS FROM INVESTING ACTIVITIES			
PURCHASES OF INVESTMENTS		(\$2,057,013)	(\$2,678,222)
PROCEEDS FROM MATURITIES OF INVESTMENTS		\$164,280	\$131,072
PROCEEDS FROM SALES OF INVESTMENTS		\$3,120,193	\$3,864,234
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		\$1,227,460	\$1,317,084
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(\$292,814)	(\$101,284)
CASH & CASH EQUIVALENTS, BEGINNING OF YEAR		\$699,094	\$800,378
CASH & CASH EQUIVALENTS, END OF YEAR		--	--
SUPPLEMENTAL CASH FLOW DISCLOSURES:	INTEREST EXPENSE PAID	\$11,322	--
	INCOME TAXES PAID		
SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:			
There were no noncash investing and financing activities during 2016 and 2015.			

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 1

NATURE OF ORGANIZATION

The U.S. - Central Asia Education Foundation (the "Foundation") was incorporated in May 2007 to further the work of the Central Asian-American Enterprise Fund ("the Fund") by building upon the private-sector development assistance programs established by the Fund. The Foundation's mission is to encourage and assist development and growth of a vibrant open-market private business sector in Central Asia by: supporting the quality of - and affordable access to - Western business know-how and practices at selected institutions of higher learning in the region that have adopted Western curriculum and teaching methods; providing opportunities for vocational, educational, and cultural experiences in countries that serve as positive examples of an open-market economy operating within a democratic environment; and, promoting other activities that will generate a favorable environment in Central Asia for private business to succeed and entrepreneurial spirit to thrive.

To accomplish its mission, the Foundation is sponsoring the following three programs in the Central Asian republics of Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan:

(1) Enterprise Student Fellowships - a financial need-based undergraduate business education scholarship program for academically gifted students who, due to financial hardship, otherwise would not be able to pursue a university education. Scholarships are provided at selected Central Asian universities to citizen residents of the Central Asian countries of Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan.

(2) Enterprise Faculty Fellowships - a program for business faculty at selected universities in Central Asia to further develop their teaching skills, knowledge, and course curriculum; thereby benefiting the current and future students who will be the region's business leaders; and,

(3) Enterprise Intern Fellowships - a program for select Enterprise Student Fellows to gain work experience within Central Asia - as well as educational, vocational and cultural experience in the United States or other countries that serve as positive examples of democratic open-market economies.

NOTE 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies of the Foundation are described below:

METHOD OF ACCOUNTING- The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

BASIS OF PRESENTATION- Financial statement presentation follows the requirements of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards, Financial Statements of Not-for-Profit Organizations. Under this standard, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

UNRESTRICTED NET ASSETS- Net assets that are not subject to donor-imposed stipulations.

TEMPORARILY RESTRICTED NET ASSETS- Net assets that are subject to donor-imposed stipulations that may or will be met by actions and/or the passage of time. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

PERMANENTLY RESTRICTED NET ASSETS- Net assets that are subject to a donor-imposed stipulation that contributed resources be maintained permanently but permits the use or expenditure of part or all of the income or other economic benefits derived from the donated assets.

RESTRICTED & UNRESTRICTED REVENUE & SUPPORT- Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting

period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

ACCOUNTING ESTIMATES & ASSUMPTIONS- Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported support, revenues and expenses. Actual results could differ from those estimates.

CASH & CASH EQUIVALENTS- The Foundation considers highly liquid financial instruments purchased within three months or less of their maturity date to be cash and cash equivalents for purposes of the statement of cash flows.

INVESTMENTS - The Foundation's investments consist of investment-grade debt and equity securities. Investments maturing within one year or less are considered short-term investments. The Foundation's investments are carried at fair value, based on quoted market prices. Changes in fair value are included in gains (losses) on investments in the statement of activities.

GRANT REFUND RECEIVABLE- Grant refund receivables are stated at the amount management expects to collect from outstanding balances of unexpended grants. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to grant accounts receivable. No allowance for doubtful accounts was considered necessary at September 30, 2016 and 2015.

GRANT EXPENDITURES- The Foundation awards grants for specific academic periods. Grant expenditures are recognized in the year in which the academic period begins provided the grant is not subject to future contingencies. Grant payments made for academic periods beginning after year end are recorded as prepaid grant awards. There were no prepaid grant awards at September 30, 2016 and 2015.

INCOME TAXES- The Foundation is exempt from federal taxes under Internal Revenue Code Section 501(c)(3) and contributions to the Foundation are deductible by the donors as provided in section 170(b)(1)(A)(vi). Effective with the year ending September 30, 2015, the Foundation was classified as a private foundation. As a private foundation, the Foundation qualifies as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code and is not subject to federal income taxes except for income from its unrelated business activities. Under Section 4940 of the Internal Revenue Code, a federal excise tax of 2% is normally imposed on a private foundation's net investment income (principally interest, dividends, and net realized capital gains, less expenses incurred in the production of investment income). This tax is reduced to 1% when a foundation meets certain distribution requirements.

The federal and Washington, DC tax returns of the Foundation are subject to examination, generally for three years after they are filed.

DONATED SERVICES- Donated services are recognized as contributions in accordance with Statement of Financial Accounting Standards, Accounting for Contributions Received and Contributions Made, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. There were no services that met this criteria for the year ended September 30, 2016. For the year ended September 30, 2015 amounts for certain contributed services meeting the criteria for recognition under this standard have been reflected in the Statement of Activities (see Note 6).

NOTE 3 FAIR VALUES OF ASSETS

Effective October 1, 2008, the Foundation adopted Statement of Financial Accounting Standards, Fair Value Measurements, which provides a framework for measuring fair value under generally accepted accounting principles. This standard defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The standard requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. The standard also established a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

There are three general valuation techniques that may be used to measure fair value, as described below:

1) Market approach - Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sale transactions, market trades, or other resources;

2) Cost approach - Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and

3) Income approach - Uses valuation techniques to convert future amounts to a single present amount based on current market

expectations about the future amounts (includes present value techniques, and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

For the year ended September 30, 2016, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following table sets forth by level, within the fair value hierarchy, the Foundation's investments at fair value at September 30, 2016.

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

DESCRIPTION	FAIR VALUES	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS	SIGNIFICANT OTHER OBSERVABLE INPUTS	SIGNIFICANT UNOBSERVABLE INPUTS
		(LEVEL 1)	(LEVEL 2)	(LEVEL 3)
EQUITIES- MUTUAL FUNDS	\$3,601,805	\$3,601,805	\$ --	\$ --
FIXED INCOME- MUTUAL FUNDS	\$3,165,943	\$3,165,943	\$ --	\$ --
TOTAL	\$6,767,748	\$6,767,748	\$ --	\$ --

NOTE 4 INVESTMENTS

Investments consist of the following at September 30,:

	2016		2015	
	COST	FAIR VALUE	COST	FAIR VALUE
EQUITIES MUTUAL FUNDS	\$3,103,767	\$3,601,805	\$3,970,528	\$4,307,835
FIXED INCOME MUTUAL FUNDS	\$3,142,645	\$3,165,943	\$3,172,613	\$3,129,734
TOTAL	\$6,246,412	\$6,767,748	\$7,143,141	\$7,437,569

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended September 30,:

	2016	2015
INTEREST & DIVIDEND INCOME	\$153,568	\$166,219

NOTE 5 HYBRID FINANCIAL INSTRUMENTS

The Foundation's Structured Investments contain multiple derivatives. GAAP allows entities to elect fair value measurements

on an instrument-by-instrument basis for certain financial instruments in which a derivative would otherwise have to be bifurcated. There were no structured investments held by the Foundation at September 30, 2016. This investment decreased in fair value by \$10,618 during the year ended September 30, 2015. This decrease in fair value is included in the change in net assets.

NOTE 6 CONTRIBUTED SERVICES

The fair value of contributed services, recorded in the accompanying statement of activities and changes in net assets, consists of accounting, management and program services and totaled \$32,348 for the year ended September 30, 2015. There were no contributed services for the year ended September 30, 2016. Contributed accounting and management services are reflected as contributions revenue and as management and general expenses. Services donated to the Foundation's programs are reflected as contributions revenue and as program service expenses. Additionally, members of the Foundation's Board of Directors donate significant amounts of their time to the Foundation's mission. Because the services contributed by the Board members did not meet the recognition criteria, the value of these services has not been reflected in the financial statements.

NOTE 7

CONCENTRATIONS OF CREDIT RISK & MARKET RISK

The Foundation maintains cash, comprised of bank deposit accounts and a money market fund account, and investment balances which are insured by the Federal Deposit Insurance Corporation and the Securities Investor Protection Corporation. At times balances may exceed insured limits. Management has evaluated this risk and considers it to be a normal business risk.

The Foundation maintains its cash and securities with a high quality financial institution which the Foundation believes limits its cash and custodial risk. As of September 30, 2016, the Foundation has not experienced any losses in such accounts.

NOTE 8

FUNCTIONAL EXPENSES

The expenses of providing various program and supporting services are presented on a functional basis. Accordingly, certain expenses have been allocated among the programs and supporting services benefited. Allocations may be direct or indirect according to the type of expense incurred.

NOTE 9

COMMITMENTS

The Foundation has entered into an administration agreement with the American Councils for International Education (ACIE) to create, administer and operate its programs. Payments for these services are paid near the beginning of certain academic periods and are determined based on program operating budgets mutually agreed upon by the Foundation's Board and the ACIE. After each academic period, the Foundation and ACIE reconcile actual expenses and fees to the operating budget and make appropriate adjustments. The administrative agreement has an initial term of three years and will automatically extend for one-year periods unless earlier terminated by either party.

The Board has approved a \$671,525 grant award for Enterprise Student Fellowships and a \$335,762 grant award for Enterprise Intern Fellowships to be paid in 2017.

NOTE 10

ENTERPRISE STUDENT FELLOWSHIPS – FUTURE COSTS

Under its Enterprise Student Fellowship program, during the year ended September 30, 2016, the Foundation awarded 30 new Student Fellowships and renewed 94 Student Fellowships for the 2016 academic year. During the year ended September 30, 2015, the Foundation awarded 30 Student Fellowships and renewed 95 Student Fellowships for the 2015 academic year.

Although the Foundation has the unconditional right to not renew awards, the Foundation intends and expects to renew awards for each Fellow's entire four years of undergraduate academic study, as long as the Fellow remains in full compliance with the terms and conditions of the award. The Foundation anticipates future expenditures for Student Fellowship awards and renewals will be: \$984,998 in 2017, \$773,796 in 2018, \$571,294 in 2019 and \$306,720 in 2020. Using a discount rate of 2.0% the Foundation estimates the present value of the program cost to continue these awards for the academic years 2017 through 2020 to be approximately \$2,581,761.

NOTE 11

SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through January 30, 2017, which is the date the financial statements were available to be issued. There were no material subsequent events at January 30, 2017 that require disclosure in the financial statements.



AIZHAMAL BAKYTBKOVA

BOARD OF DIRECTORS

Stephen D. Weinroth

Chairman | Director | Hovnanian Enterprises, Inc.

Margaret M. Grieve

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