

Data Sheet

USAID Mission:	LAC Regional
Program Title:	Market Access
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	598-017
Status:	Continuing
Planned FY 2005 Obligation:	\$3,500,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$5,584,000 DA
Year of Initial Obligation:	2000
Estimated Year of Final Obligation:	2006

Summary: USAID's Market Access program contributes to economic growth and poverty reduction by improving the enabling environment for trade and participation in property, finance, and product markets. This will ensure that benefits from expanded trade lead to broad-based prosperity. USAID efforts will support policy dialogue, best practices identification and dissemination, and innovative approaches to reduce asset-related constraints to market participation. Trade capacity building assistance will help Latin America and Caribbean countries participate in and benefit from the Free Trade Area of the Americas (FTAA) negotiations, the U.S. Central America Free Trade Area (CAFTA) agreement, and the ongoing U.S. Andean-trade negotiations. USAID-funded technical assistance and training will increase Latin America and the Caribbean (LAC) countries' capacity to transition to free trade and become competitive participants in the global market place.

Inputs, Outputs, Activities:

FY 2005 Program: Increase participation in global trade and investment (\$3,500,000 DA). USAID will provide technical assistance and training to reduce asset and business related constraints to market participation. Technical assistance, assessments/analyses, and regional workshops will improve property rights systems across the LAC region, a key mandate under the Summit of the Americas. USAID will support analysis and pilot activities that foster innovation in financial products, including risk management tools and remittances. The program will encourage microfinance institutions to develop their capacity to expand micro and small enterprise access to private sector credit. Activities will be undertaken that foster business links, improve capacity to meet quality standards, and reduce other constraints to meeting business and market demands. These activities will help ensure that maximum benefits from emerging free trade agreements accrue to rural entrepreneurs working in agriculture and non-farm ventures. Alliances with the private sector will be facilitated; and, analysis and dialogue on policy needs will be undertaken. Negotiation-related technical assistance and training will assist LAC countries implement their national trade capacity building strategies under the FTAA Hemispheric Cooperation Program and related programs. The program will facilitate information dissemination on the benefits of free trade and help foster and strengthen feedback mechanisms for the private sector and civil society for the negotiation process. Principal contractors and grantees are Chemonics International, World Bank, ACCION International, and Carana Corporation.

FY 2006 Program: Increase participation in global trade and investment (\$5,584,000 DA). USAID's program will continue to provide technical assistance and support assessments and policy dialogue to support countries in improving their property rights systems; supporting innovative approaches and best practices to increase access to credit; and improving linkages between trade and rural development that enable entrepreneurs to meet market demand. The trade capacity building program will continue to provide technical assistance, training and outreach for countries as they engage in negotiations for the FTAA and as they transition to freer trade under new agreements such as CAFTA. Principal contractors and grantees include those

identified above and others to be decided.

Performance and Results: USAID supported a new mandate on property rights signed into action by 34 heads of state at the 2004 Special Summit of the Americas. USAID then immediately began creating the Inter-American Alliance for Accountability on Property Rights to move this new mandate into practice. The Alliance has developed a plan of action that includes legislative outreach and training events. USAID continued its on-going program of analysis and technical assistance to help countries strengthen their interventions on property rights and land market development. In Colombia, for example, USAID support led to a fresh and in-depth understanding of land tenure aspects of internal displacement that affect households that are victims of Colombia's long period of violence. This will help develop a more effective prevention strategy. USAID also provided guidance on effective property taxation in relation to Colombia's need to improve both local fiscal finance and land market access.

USAID supported pilot activities in microfinance to develop innovative financial services related to remittance flows. Remarkable progress has been made in gaining a better understanding of the broader financial market issues that affect expansion of access to financial services and lower transmission costs of remittances. This effort inspired a new quarterly newsletter, *Migrant Remittances*, by USAID's Economic Growth and Trade Bureau that has worldwide circulation. USAID also provided technical assistance to identify the issues facing a country and what options make sense for USAID programming.

Public-private alliances are linking trade and rural development to improve farmer incomes, increase rural employment, and enhance participation in global markets. USAID continued to support the launch of the Andean Regional Cocoa Alliance, linking existing cocoa activities in the participating countries to the technical expertise and market opportunities of the major U.S. Chocolate Manufacturers (as well as other World Cocoa Foundation member companies).

USAID played a key role in the trade capacity building components of CAFTA, the on-going U.S.-Andean negotiations, and other free trade agreements, participating in both the negotiations and the U.S. government inter-agency process. Support for the design and implementation of civil society outreach activities is strengthening mechanisms for the private sector and civil society to provide input into the process. This, in turn, helps to keep the trade negotiation processes moving in a positive direction. USAID support also contributed to fostering increased responsiveness to country trade capacity building priorities and coordinating a focused response from resource partners.

Continued progress in this objective will mean that by FY 2007, small producers and businesses in LAC will have greater access to markets, ultimately leading to increased incomes and greater opportunities for trade.

US Financing in Thousands of Dollars

LAC Regional

	DA	DCA
598-017 Market Access		
Through September 30, 2003		
Obligations	15,915	31
Expenditures	13,167	0
Unliquidated	2,748	31
Fiscal Year 2004		
Obligations	4,276	0
Expenditures	3,750	0
Through September 30, 2004		
Obligations	20,191	31
Expenditures	16,917	0
Unliquidated	3,274	31
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2005 NOA		
Obligations	3,500	0
Total Planned Fiscal Year 2005		
Obligations	3,500	0
Proposed Fiscal Year 2006 NOA		
Obligations	5,584	0
Future Obligations	2,759	0
Est. Total Cost	32,034	31