

Data Sheet

USAID Mission:	Zambia
Program Title:	Increased Competitiveness
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	611-005
Status:	New in FY 2004
Planned FY 2005 Obligation:	\$7,154,000 DA
Prior Year Unobligated:	\$211,000 DCA
Proposed FY 2006 Obligation:	\$7,756,000 DA
Year of Initial Obligation:	2004
Estimated Year of Final Obligation:	2009

Summary: The aim of USAID's program is to increase competitiveness of the private sector in agriculture and natural resources. The program provides technical assistance and training to: strengthen the financial sector's contribution to economic growth; increase participation in global trade and investment; improve economic policy and governance; improve sustainable management of natural resources and biodiversity conservation; reduce the transmission and impact of HIV/AIDS; increase food security of vulnerable populations; and promote public-private alliances as a principal business model.

Inputs, Outputs, Activities:

FY 2005 Program: Increase Participation in Global Trade and Investment (\$1,765,000 DA). USAID helps to increase the ability of smallholder farmers, traders, and Zambian businesses to access regional and international markets. The program uses links to larger private sector entities to expand smallholder market access and to focus on identifying new and niche markets for agricultural and natural resource producers. Activities focus particularly on the sustainable development of natural resource products, and on tourism market growth opportunities to benefit rural communities living around protected areas. Principal contractors and grantees: Nathan Associates and Development Alternatives, Inc. (both prime), and others to be determined.

Increase Agricultural Productivity (\$2,916,000 DA). In order to increase agricultural productivity, volume, and quality, USAID promotes crop diversification, finding new sustainable natural products for emerging market opportunities, and employing new technologies and value-added processing techniques. USAID also provides assistance in establishing and meeting grades and standards; quality assurance; obtaining quality certifications such as those of the International Standards Organization; sanitary and phytosanitary standards; and labels such as organic and Fair Trade. To increase the volume of production for about 50,000 smallholder farm families, USAID activities promote conservation farming, small-scale irrigation, water harvesting, and soil fertility interventions. Labor-saving technologies are also employed in response to the HIV/AIDS epidemic and the increase in women-headed households. In the natural resources sector, USAID helps build community-based natural resource management groups that are involved in enterprise activities, particularly those linked to tourism opportunities. Principal contractors and grantees: CARE International, Cooperative League of the USA, and International Development Enterprises (all prime), and others to be determined.

Strengthen Financial Sector's Contribution to Economic Growth (\$1,095,000 DA, \$211,000 DCA). To increase access to finance, USAID undertakes concerted efforts to identify and test innovative financial options through the private sector and other stakeholders. A key focus is the expansion of the credit guarantee scheme to back up commodity warehouse receipts. Activities also promote credit and savings through outgrower companies and producer groups, insurance, and forward contracts. USAID funds help beneficiaries in small-scale agriculture and those involved in natural resources production groups to become competitive through a range of business development services, including exposure to information technology. Principal contractors and grantees: Zambia Agricultural Commodity Agency, Zambia Chamber of Small and Medium Enterprises, International Executive Services Corps (all prime), and others to be determined.

Improve Economic Policy and Governance (\$1,378,000 DA). Policy-related activities are helping Zambia to seize agribusiness trade and growth opportunities created by the African Growth and Opportunity Act, the Common Market of Eastern and Southern Africa, and the Southern African Development Community. These activities are helping to develop an enabling environment through assistance to the Government of the Republic of Zambia (GRZ) and other organizations to deal with policy and regulatory issues, through support for public/private sector dialogue, and through identification of trade opportunities, issues and constraints. Activities address productive sector-related issues arising from inconsistencies in a variety of GRZ policies that constrain investments and impede trade. Principal grantees and contractors: Nathan Associates, Michigan State University, Agricultural Consultative Forum (all prime), and others to be determined.

Reduce Transmission and Impact of HIV/AIDS. HIV/AIDS peer education training, household nutrition training and HIV/AIDS prevention education, guided by the Presidential Emergency Plan for AIDS Relief (PEPFAR), together with gender equity interventions, are mainstreamed throughout all "competitiveness" activities. See the State Department Congressional Budget Justification, Global HIV/AIDS Initiative section, for a discussion of this program.

FY 2006 Program: Increase Participation in Global Trade and Investment (\$2,000,000 DA). USAID plans to expand its technical assistance and training to develop regional and international trade linkage opportunities for Zambian producers. Principal contractors and grantees: Development Alternatives Inc. (prime) and others to be determined.

Increase Agricultural Productivity (\$2,906,000 DA). USAID plans to expand its outreach to smallholder farmers and small and medium entrepreneurs in order to increase the volume of food production and to promote improved marketing techniques. Principal contractors and grantees: Cooperative League of the USA (prime) and others to be determined.

Strengthen Financial Sector's Contribution to Economic Growth (\$1,000,000 DA). USAID plans to expand its support to the identification and testing of innovative financial options, and to expand the network of business development services, through the private sector and other players. Principal contractors and grantees: Zambia Agricultural Commodity Agency (prime), and others to be determined.

Improve Economic Policy and Governance (\$1,850,000 DA). USAID plans to maintain its focus on economic policy dialogue and trade-related interventions. Particular focus will be paid to trade facilitation. Principal contractors and grantees: Michigan State University, Agricultural Consultative Forum (both prime), and others to be determined.

Reduce Transmission and Impact of HIV/AIDS. See the State Department Congressional Budget Justification, Global HIV/AIDS Initiative section, for a discussion of this program.

Performance and Results: The key results expected at the end of the program are an increase in non-traditional exports (NTES) from a baseline of \$405 million in FY 2004 to \$600 million in FY 2009, and an increase in the value of food and non-food agricultural production, from \$8 million in FY 2004 to \$15 million in FY 2009.

US Financing in Thousands of Dollars

Zambia

	DA	DCA
611-005 Increased Competitiveness		
Through September 30, 2003		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Fiscal Year 2004		
Obligations	6,095	789
Expenditures	0	5
Through September 30, 2004		
Obligations	6,095	789
Expenditures	0	5
Unliquidated	6,095	784
Prior Year Unobligated Funds		
Obligations	0	211
Planned Fiscal Year 2005 NOA		
Obligations	7,154	0
Total Planned Fiscal Year 2005		
Obligations	7,154	211
Proposed Fiscal Year 2006 NOA		
Obligations	7,756	0
Future Obligations	14,879	211
Est. Total Cost	35,884	1,211