

## Data Sheet

<b>USAID Mission:</b>	Afghanistan
<b>Program Title:</b>	A thriving economy led by the private sector
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	306-YYY
<b>Status:</b>	New in FY 2005
<b>Planned FY 2005 Obligation:</b>	\$0
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2006 Obligation:</b>	\$323,000,000 ESF
<b>Year of Initial Obligation:</b>	2006
<b>Estimated Year of Final Obligation:</b>	2009

**Summary:** USAID will continue to increase incomes in Afghanistan by improving economic policy and governance, strengthening the financial sector, developing private enterprises, and enhancing global trade and investment. USAID will support activities to enhance food security, increase rural incomes, and promote alternative sources of income to poppy production. USAID activities will increase productivity from farms to markets and continue infrastructure rehabilitation to further economic growth.

### Inputs, Outputs, Activities:

**FY 2005 Program:** This Strategic Objective (SO) is a follow-on to SO 306-001 and SO 306-003. Congressional Notification for FY 2005 activities in agriculture and trade and investment is included in the CBJ under SO 306-001. Congressional Notification for FY 2005 activities in economic growth and infrastructure is included in the CBJ under SO 306-003.

**FY 2006 Program:** In addition to the amounts shown below, USAID plans to use \$89,000,000 of Transition Initiatives (TI) funding to support the activities and objectives under this SO.

Expand and Improve Access to Economic and Social Infrastructure (\$186,000,000 ESF). USAID will continue to support the road system, the civil aviation sector, rail studies and projects, and ministry capacity building. USAID will continue labor intensive transportation projects, providing employment for former poppy farmers and former combatants. USAID will continue to procure diesel fuel for existing power plants, streamline operations in existing hydro and thermal power plants, provide support for additional thermal power generation in the north, improve the existing electrical power grid, and enhance linkage of major elements in the power generating infrastructure. In addition, USAID will support the development of rural and urban water and sanitation systems, as well as provide support for urban planning initiatives in major urban areas.

Increase Agricultural Productivity (\$3,000,000 ESF). Rebuilding Agricultural Markets Program (RAMP's) FY 2005 activities are scheduled to continue until June 2006. USAID will support an evaluation of the RAMP program early in FY 2006 to evaluate the program's achievements. USAID anticipates a need for a follow-on program, and in the interim, USAID will propose the extension of RAMP to May 2007.

Increase Participation in Global Trade and Investment (\$900,000 ESF). In agriculture, RAMP will evaluate FY 2005 activities and determine which activities should be continued. USAID anticipates that direct support will be given to the business organizations that have been established in FY 2005 in order to build their capacity in servicing their members. In the economic growth sector, program activities will continue to strengthen trade policy and export promotion, support World Trade Organization (WTO) accession, establish national standards and metrics that are consistent with WTO requirements and international best practices, and support conversion to International Financial Reporting Standards.

Develop and Expand Alternative Development (\$91,500,000 ESF). Based on the lessons learned in the first four provinces, the alternative livelihoods program will expand to an additional three provinces yet to be identified. The activity will continue to support expanding the long-term regional development programs in the ongoing program areas, as well as provide for cash for work and household income

generation as a social safety net. TI funds up to \$28,500,000 will be used to support this activity.

Improve Economic Policy and Governance (\$36,000,000 ESF). Program activities in 2005 will be continued into 2006, including further capacity building in the central bank to strengthen monetary control and bank supervision. USAID will strengthen budget formulation and improve tax administration, especially customs, support licensing and regulatory procedures, and develop a regulatory authority for civil aviation. Funding will also be provided to the Afghan Reconstruction Trust Fund for support to the recurrent and development budgets of the Government of Afghanistan.

Strengthen the Financial Sector's Contribution to Economic Growth (\$2,600,000 ESF). Program activities in 2006 include improving access to credit financial markets through strengthened bank management; providing funds for micro and small and medium enterprise lending; providing funds for venture capital; and supporting the creation of an insurance industry.

Increase Private Sector Growth (\$3,000,000 ESF). USAID/Afghanistan will promote private sector growth through eliminating and simplifying administrative barriers for businesses, establishing property rights and a land titling system, constructing and operating industrial parks, creating an advocacy network, and providing business advisory services.

**Performance and Results:** This new SO builds on the successes achieved to date in these sectors - most notably, the rehabilitation of the Kabul-Kandahar-Herat highway, the expansion of high value crops and extension and transfer of best practices to farmers to increase agricultural productivity, support for business development, and the creation of an environment conducive to private investment.

## US Financing in Thousands of Dollars

Afghanistan

306-YYY A thriving economy led by the private sector	<b>ESF</b>	<b>TI</b>
<b>Through September 30, 2003</b>		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
<b>Fiscal Year 2004</b>		
Obligations	0	0
Expenditures	0	0
<b>Through September 30, 2004</b>		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
<b>Prior Year Unobligated Funds</b>		
Obligations	0	0
<b>Planned Fiscal Year 2005 NOA</b>		
Obligations	0	0
<b>Total Planned Fiscal Year 2005</b>		
Obligations	0	0
<b>Proposed Fiscal Year 2006 NOA</b>		
Obligations	323,000	89,000
Future Obligations	0	0
Est. Total Cost	323,000	89,000