

Data Sheet

USAID Mission:	Economic Growth, Agriculture and Trade
Program Title:	Economic Growth
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	905-101
Status:	Continuing
Planned FY 2005 Obligation:	\$13,450,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$13,450,000 DA
Year of Initial Obligation:	2004
Estimated Year of Final Obligation:	2009

Summary: USAID's program to promote open and competitive economies includes four complementary program components: 1) global trade and investment; 2) economic policy and governance; 3) private sector growth; and 4) financial sector development. The Economic Growth program provides field support, technical leadership, and interagency coordination on all non-agricultural areas related to economic growth and development. Recognizing that the needs of transformational and fragile states differ, a growing focus will be developing models and approaches that respond to differing development needs and will help Missions identify and prioritize the most appropriate economic growth interventions. This Strategic Objective (SO) replaces SO 933-008 Open, Competitive Economies Promoted.

Inputs, Outputs, Activities:

FY 2005 Program: Increase Participation in Global Trade and Investment. EGAT will support activities that help missions: (1) address short-term constraints to effective participation in World Trade Organization (WTO) and bilateral Free Trade Area (FTA) negotiations; (2) mainstream trade into national poverty reduction strategies; and (3) assess microeconomic constraints and support related reforms. Funding will be provided to field projects that support: improved public-private sector dialogue and understanding of trade issues; WTO accession and implementation; participation in WTO services negotiations; comparative regional assessments of legal and institutional reforms; and sustainable reform of customs systems and supporting institutions. Technical leadership and training efforts will provide USAID missions with concrete recommendations and tools for: (1) integrating trade liberalization and microeconomic reform strategies; (2) facilitating labor transition in rapidly liberalizing economies; and (3) measuring performance and evaluating the effectiveness of trade capacity building (TCB) projects. Principal contractors/grantees: Nathan Associates, Booz Allen, Carana, United Nations Development Program, U.S. Federal Trade Commission, and International Trade Commission.

Improve Economic Policy and Governance. EGAT will respond to field requests and provide technical leadership and training in the design, implementation and evaluation of programs that improve the policy and institutional environment for economic growth, prosperity and poverty reduction. Activities will continue to enhance fiscal effectiveness and advance trade liberalization with support for alternative tax revenue sources, improved fiscal administration, and budget implementation. Assistance will continue to be provided for the development of sound domestic policies in Africa. An assessment of the impact of selected economic growth activities on corruption will help improve USAID anti-corruption interventions worldwide. Principal contractors/grantees: Development Alternatives, Cornell University, African Economic Research Consortium, Louis Berger, Booz-Allen Hamilton, BearingPoint, IBM Business Consulting Services, International Business Associates and Nathan Associates.

Increase Private Sector Growth. Efforts will focus on mainstreaming microeconomic reform into Agency programs. EGAT will ensure that current data are available to "benchmark" business environments in developing countries. The program will co-sponsor a series of public-private symposia in selected countries to identify specific policy/regulatory impediments to investment

and then assist USAID Missions to address those impediments. EGAT will facilitate USAID Mission access to volunteer-based assistance through the Volunteers in Economic Growth Activity (VEGA) and will provide support to initiatives of competitive private sector networks. This will enhance the quality and effectiveness of USAID programs and support the development of performance monitoring and impact assessment plans. The program will also draw upon recent research findings to redesign the successful "Investors Roadmap" tool to improve its usefulness as a blueprint for navigating private sector rules and regulations. Principal contractors/grantees: the World Economic Forum and the World Bank.

Strengthen Financial Sector's Contribution To Economic Growth. EGAT's financial sector program will pilot several new diagnostic tools for financial sector project designs. Financial sector assessments in at least four USAID missions will be conducted. Services of the International Real Property Fund (IRPF) will be proactively marketed to field missions involved in mortgage market development. EGAT will continue to help missions seeking to engage financial sector volunteers through the Financial Services Volunteer Corps (FSVC). New activities in support of pension and insurance sector reforms and corporate governance will be explored. Principal contractors/grantees: Emerging Markets Group, FSVC, U.S. Securities and Exchange Commission, IRPF, and the Federal Deposit Insurance Corporation.

FY 2006 Program: Increase Participation in Global Trade and Investment. The trade program plans to work with missions to: (1) address institutional constraints affecting countries' implementation of commitments related to WTO negotiations and other international trade agreements; (2) respond to trade capacity building needs; (3) implement bilateral commitments under the U.S.-Central America-Dominican Republic Free Trade Agreement; and (4) assess microeconomic constraints and support related reforms. Principal contractors/grantees: Same as above.

Improve Economic Policy and Governance. EGAT intends to continue to assist missions to improve economic policy and governance. Lessons learned from the results of the anti-corruption assessment may be disseminated. Fiscal reform activities to strengthen tax and expenditure programs, promote economic stability, and expand trade may be broadened to additional countries. Principal contractors/grantees: Same as above.

Increase Private Sector Growth. USAID expects to continue to expand the number of field missions engaged in microeconomic reform activities. Public-private symposia may be sponsored in at least ten USAID missions to identify impediments to investment and build a constituency for pro-business reforms. Expertise may be provided to assist missions with follow-up on addressing investment climate impediments. USAID may co-sponsor high level symposia on competitiveness and globalization, bringing together regional policy makers and experts, and intends to lead the development of a new generation of competitiveness initiatives that focus on improving the productivity and profitability of firms in specific industry groupings. Principal contractors/grantees: Same as above.

Strengthen Financial Sector's Contribution to Economic Growth. EGAT's financial sector program plans to support the design and implementation of new financial sector initiatives in at least six USAID missions. New training modules and specialized support mechanisms in corporate governance and pension/insurance sector development may be developed. Contractors/grantees: Same as above.

Performance and Results: In FY 2004, the Economic Growth Program worked with USAID Missions to design and implement innovative TCB projects in more than 24 countries, delivering training and developing relevant resource guides to ensure project success. The Program coordinated bilateral donors' participation in the multilateral Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries, which is helping mainstream trade in the national poverty reduction strategies of more than 40 of the world's poorest countries. In partnership with the International Trade Commission, a technical cooperation agency of the UN

Conference on Trade and Development (UNCTAD) and the WTO, activities provided 1,300 public and private sector users in 67 countries with access to powerful, user-friendly trade analysis tools and databases. The Program developed a comprehensive strategy for USAID support to developing country financial sectors, helped to build and strengthen economic policy and revenue institutions in five countries, and developed a “tax benchmarking” tool for designing and implementing tax reform activities worldwide. Efforts also resulted in the design and delivery of 12 groundbreaking assessments of “best practices” and other program tools in private sector enterprise development, which will assist USAID Missions globally in the development of appropriate economic growth initiatives.

U.S. Financing
(in thousands of dollars)

905-101 Open, competitive economies promoted

	Obligations	Expenditures	Unliquidated
Through September 30, 2003	0 AEEB	0 AEEB	0 AEEB
	0 CSH	0 CSH	0 CSH
	0 DA	0 DA	0 DA
	0 DFA	0 DFA	0 DFA
	0 ESF	0 ESF	0 ESF
	0 FSA	0 FSA	0 FSA
	0 IDA	0 IDA	0 IDA
Fiscal Year 2004	0 AEEB	0 AEEB	
	0 CSH	0 CSH	
	16,984 DA	2,730 DA	
	0 DFA	0 DFA	
	0 ESF	0 ESF	
	0 FSA	0 FSA	
	0 IDA	0 IDA	
Through September 30, 2004	0 AEEB	0 AEEB	0 AEEB
	0 CSH	0 CSH	0 CSH
	16,984 DA	2,730 DA	14,254 DA
	0 DFA	0 DFA	0 DFA
	0 ESF	0 ESF	0 ESF
	0 FSA	0 FSA	0 FSA
	0 IDA	0 IDA	0 IDA
Prior Year Unobligated Funds	0 AEEB		
	0 CSH		
	0 DA		
	0 DFA		
	0 ESF		
	0 FSA		
	0 IDA		
Planned Fiscal Year 2005 NOA	0 AEEB		
	0 CSH		
	13,450 DA		
	0 DFA		
	0 ESF		
	0 FSA		
	0 IDA		
Total Planned Fiscal Year 2005	0 AEEB		
	0 CSH		
	13,450 DA		
	0 DFA		
	0 ESF		
	0 FSA		
	0 IDA		
Proposed Fiscal Year 2006 NOA	0 AEEB		
	0 CSH		
	13,450 DA	45,595 DA	89,479 DA
	0 DFA	0 DFA	0 DFA
	0 ESF	0 ESF	0 ESF
	0 FSA	0 FSA	0 FSA
	0 IDA	0 IDA	0 IDA
	0 TI	0 TI	
		Future Obligations	Est. Total Cost
Proposed Fiscal Year 2006 NOA	0 AEEB	0 AEEB	0 AEEB
	0 CSH	0 CSH	0 CSH
	13,450 DA	45,595 DA	89,479 DA
	0 DFA	0 DFA	0 DFA
	0 ESF	0 ESF	0 ESF
	0 FSA	0 FSA	0 FSA
	0 IDA	0 IDA	0 IDA
	0 TI	0 TI	