

Data Sheet

USAID Mission:	Regional Development Mission-Asia (RDM-Asia)
Program Title:	Improved Governance in South East Asia
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	486-XXX
Proposed FY 2004 Obligation:	\$0
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$2,000,000 DA
Year of Initial Obligation:	FY 2004
Year of Final Obligation:	FY 2009

Summary: In FY 2004, USAID will develop a new program to build upon the successful interventions funded under the Accelerated Economic Recovery in Asia (AERA) and South East Asia Competitiveness Initiative (SEACI) programs. Implementation of this new program will begin in FY 2005. In the meantime, USAID and its partners will bring ongoing efforts under the AERA and SEACI programs to an orderly completion. The new program will help to address the challenges of re-establishing financial and political stability in the region by improving financial transparency, respect for the rule of law, and more open political processes. It will also complement and support the USG-ASEAN Cooperation Plan by building upon ongoing donor and bilateral efforts in South East Asia that address weaknesses in economic and governance systems.

Inputs, Outputs, Activities:

FY 2004 Program:

Program Design (no FY 2004 funding requested). USAID will design the new components of this program. In preparation for the new program, USAID will assess governance issues and current program activities in the target countries. The lessons learned and accomplishments from the AERA and SEACI programs will inform the new design. In the meantime, activities under the SEACI and AERA Programs will continue using funds already in their pipelines.

SEACI (no FY 2004 funding requested). The SEACI Program, implemented via a contract with Nathan Associates, began in FY 2000. It aims to improve the competitiveness of Asian economies by building economic clusters and encouraging those clusters to work for the overall benefits of all members of the entire cluster. The Vietnam component of the SEACI Program ended in early FY 2004; ongoing activities were folded into a new economic growth initiative in Vietnam. The Thailand and Cambodia components of SEACI will end in FY 2004. At least six economic clusters will be developed and operating by the end of FY 2004 in Thailand. Another cluster in Cambodia will also be functioning. This year the SEACI Program will complete capacity building for the staff of a local NGO, Kenan Institute Asia, that will allow that NGO to continue the competitiveness activities on its own. SEACI will also continue to support development and implementation of national strategies that will help the governments of Cambodia and Thailand, and their private sectors, become more competitive in the global marketplace. SEACI will be completed by September 2004. Principal implementers include Nathan Associates with sub-grant to JE Austin Associates.

AERA (no FY 2004 funding requested). Bank training activities under the AERA Program, which is implemented via a Cooperative Agreement with Kenan Institute Asia, will be completed in FY 2004. The Business Advisory Center (SME development) component of AERA is being phased down; efforts in FY 2004 will focus on assuring that this component becomes sustainable by the end of the year. The Business Support Organizations component, which develops partnerships between U.S. and Asian organizations and governmental departments, will increase activities and start to build a stronger base for long term relationships and networks between countries in the region and between the U.S. and the

region. These partnerships provide support for legal, judicial, and economic reform and governance issues. Principal Implementer: Kenan Institute Asia.

FY 2005 Program:

SEACI (no FY 2005 funding requested). The SEACI Program will be closed by FY 2005. Most of the cluster competitiveness projects will continue to develop under Kenan Institute Asia's leadership.

AERA (no FY 2005 funding requested). The AERA Program will close out in late FY 2005. The main activities will be under the Business Support Organizations partnerships program.

Improved Governance in South East Asia (\$2,000,000 DA). Early in FY 2005, USAID expects to award a Cooperative Agreement for implementation of the new components of this Strategic Objective. USAID will select the partner(s) through a competitive Request for Applications. Major inputs under this Cooperative Agreement are expected to include technical assistance and training. Expected results of the new program will include: improved public and private sector governance, greater transparency and accountability, public policy reforms consistent with civil society advocacy, judicial reforms, the advancement of democratic processes and counter terrorism measures such as anti-money laundering practices, progress toward implementation of free trade agreements, and the promotion of open political and economic systems. Principal Implementers: To be determined.

Performance and Results: The efforts of the SEACI Program, which were funded under the Encourage Economic Growth SO 498-023, have been well received by the private sectors and the governments of Thailand, Vietnam, and Cambodia. The Thailand Competitiveness Initiative team has helped the agricultural cluster members identify the need to develop safety standards for "healthy" and "high-value" products. Representatives of the Thai government and the private sector are revising Thai government policies on food safety. In the gemstones and jewelry cluster in Chantaburi, Thailand, there is now a Memorandum of Understanding between the local provincial government and the private sector to provide a smoother business environment and opportunities to market and brand their products together. The Cambodia Competitiveness Initiative team has helped establish a fisheries cluster. In Vietnam, a fruit cluster was formed and members are planning a national conference to deal with cross-border trading issues with China.

The AERA Program, which was also funded under Encourage Economic Growth SO 498-023, achieved several positive results in FY 2003. Thai commercial banks received several levels of risk management training and as a result the Bank of Ayudhaya set up a new risk management unit. Several banks developed new policies based on the training. 100 mediators and financial advisors were trained through partnerships with similar U.S.-based organizations. These mediators have since saved a large amount of court time and costs by using mediation to resolve issues. Details regarding the results to be achieved under the new program will be determined in FY 2004.

US Financing in Thousands of Dollars

Regional Development Mission-Asia (RDM-Asia)

486-XXX Improved Governance in South East Asia	DA
Through September 30, 2002	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2003	
Obligations	0
Expenditures	0
Through September 30, 2003	
Obligations	0
Expenditures	0
Unliquidated	0
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2004 NOA	
Obligations	0
Total Planned Fiscal Year 2004	
Obligations	0
Proposed Fiscal Year 2005 NOA	
Obligations	2,000
Future Obligations	2,000
Est. Total Cost	4,000