

Data Sheet

USAID Mission:	Africa Regional
Program Title:	African Economic Growth
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	698-014
Proposed FY 2004 Obligation:	\$10,550,000 DA
Prior Year Unobligated:	\$864,000 DA
Proposed FY 2005 Obligation:	\$10,946,000 DA
Year of Initial Obligation:	FY 1999
Year of Final Obligation:	FY 2004

Summary: USAID's regional program to promote economic growth and reduce poverty in Africa is conducted through the Presidential Initiative on Trade for African Development and Enterprise (TRADE) and the framework created by the African Growth and Opportunity Act (AGOA). The principal goals are to increase the engagement of African countries in the world trading system and to stimulate and increase African exports and investment flows into--and within--the continent. These goals will be accomplished by focusing on the promotion of U.S.-African business linkages; enhancement of the competitiveness of African products and services; expansion of the role of trade in African poverty reduction strategies; improvement of the delivery of public services that support trade; building African capacity for trade policy formulation and implementation; and strengthening the enabling environment for African businesses.

Consequently, USAID will provide technical assistance to implement a full array of trade capacity and trade facilitation activities, helping African economies become better integrated into the global economic system and better able to take advantage of potential trade opportunities within the continent. This includes working with countries to develop trade policy and infrastructure, implement WTO and other trade obligations, and implement trade agreements with the United States.

Inputs, Outputs, Activities:

FY 2004 Program:

Provide technical assistance for the TRADE Initiative and activities to support AGOA implementation (\$8,625,000 DA; \$864,000 prior year DA). The TRADE initiative is carried out through three Regional Hubs for Global Competitiveness in sub-Saharan Africa. The Hubs are in Botswana, Ghana and Kenya, in the same locations as USAID's three regional missions. They can thereby take advantage of synergies between USAID's regional mission and Hub activities. The Hubs also work in close coordination with a number of Washington agencies to ensure that trade policies and trade development programs are complementary.

During FY 2004 the Hubs will continue to refine their program operations. Major program priorities will include improving compliance with World Trade Organization (WTO) commitments; helping countries understand and take advantage of AGOA benefits; improving the ability to undertake policy-relevant trade-related analysis; identifying and addressing the legal and regulatory impediments to private enterprise in Africa; and improving the trade facilitation infrastructure in such areas as customs, transport, and standards inspection for agricultural and horticultural products. Principal contractors, grantees and agencies: the U.S. Departments of Agriculture, Commerce, State and Treasury; the Office of the U.S. Trade Representative (USTR); Chemonics; and Carana Corp.

The Strategies and Analyses for Growth and Access (SAGA) Program (\$1,925,000 DA) is now being implemented by the Economic Growth, Agriculture and Trade (EGAT) Bureau. SAGA works to support African economic policy analysis and research and trains African candidates in economics, helping them earn M.A. and Ph.D. degrees. A more detailed description can be found in the EGAT submission.

A follow-on strategic objective will begin in FY 2004 and will be notified separately upon approval.

FY 2005 Program:

Provide technical assistance for the TRADE Initiative (\$10,946,000 DA): USAID will provide management oversight and assistance to USAID missions and the Hubs in developing programs under the TRADE initiative, AGOA III legislation, trade agreements such as the Southern Africa Customs Union (SACU) Free Trade Agreement, the Common Market of Eastern and Southern Africa (COMESA), Union Economique et Monétaire de l'Afrique de l'Ouest (UEMOA), and other bilateral agreements of the United States. The Hubs, acting as the platform for regional and bilateral initiatives, will further expand their ongoing activities: supporting innovative field-based activities in business linkages that build the capacity of small- and medium-sized enterprises to trade and expand their operations, improving the ability of African countries to develop acceptable agricultural and horticultural inspection procedures, disseminating information on AGOA III opportunities, and working with partners to improve customs procedures and remove regulatory obstacles to the shipment of commodities within the region. Partners: Same as above.

Performance and Results: The Presidential TRADE initiative and the mandate of the AGOA legislation focused on a broad array of programs to promote trade and investment policy reform in Africa. This year, each of the Hubs became fully operational, allowing them to begin to implement their strategic plans. The Hubs have built strong working relationships with their regional partners to expand export opportunities and to promote increased interregional trade. Other activities included support for AGOA, the SACU Free Trade Agreement with the United States, and Trade and Investment Framework Agreements with COMESA and UEMOA.

The results of the joint efforts of the Hub operations have led to the start of numerous trade-enhancing initiatives: building capacity for trade policy formulation and implementation with specific emphasis on the World Trade Organization; harmonizing customs and trade facilitation policies for the countries covered under the Kenya Hub, with an emphasis on the Northern Corridor countries (Kenya, Uganda, Rwanda, Burundi, eastern Democratic Republic of Congo) as a model; placing a pest risk advisor at the Hub in Botswana to help Southern Africa farmers meet U.S. animal and plant health safety requirements for agricultural exports; working with the U.S. Department of Commerce to link businesses in Southern Africa with minority businesses in the United States; facilitating AGOA/business development (a number of regional businesses are taking advantage of AGOA, especially in the textile and apparel sector, a development that has also helped to create jobs in small economies like Lesotho and Namibia); promoting inventories of national sanitary and phytosanitary (SPS)/food safety regulations and providing policy support to implement SPS recommendations, including updating national legislation; and encouraging trade facilitation initiatives, such as the Trans-Kalahari Corridor (TKC) roadway and the Northern Corridor from Nairobi to Mombasa. As these initiatives are just getting underway, its overall results will take some time to become evident. However, the key success indicator is that the Hubs have been able to become active with operational programs within a very short period of time.

US Financing in Thousands of Dollars

Africa Regional

698-014 African Economic Growth	DA	DFA	ESF
Through September 30, 2002			
Obligations	47,398	4,266	1,250
Expenditures	35,161	3,896	768
Unliquidated	12,237	370	482
Fiscal Year 2003			
Obligations	1,270	0	0
Expenditures	7,698	366	310
Through September 30, 2003			
Obligations	48,668	4,266	1,250
Expenditures	42,859	4,262	1,078
Unliquidated	5,809	4	172
Prior Year Unobligated Funds			
Obligations	864	0	0
Planned Fiscal Year 2004 NOA			
Obligations	10,550	0	0
Total Planned Fiscal Year 2004			
Obligations	11,414	0	0
Proposed Fiscal Year 2005 NOA			
Obligations	10,946	0	0
Future Obligations	0	0	0
Est. Total Cost	71,028	4,266	1,250