

Data Sheet

USAID Mission:	LAC Regional
Program Title:	Market Access
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	598-017
Proposed FY 2004 Obligation:	\$4,700,000 DA
Prior Year Unobligated:	\$5,000 DA
Proposed FY 2005 Obligation:	\$5,000,000 DA
Year of Initial Obligation:	FY 2000
Year of Final Obligation:	FY 2007

Summary: USAID's Market Access program contributes to economic growth and poverty reduction by improving the enabling environment for trade and broad participation in property, finance, and product markets. USAID efforts will support policy dialogue, best practices identification and dissemination, and innovative approaches to reduce asset-related constraints to market participation. Trade capacity building assistance will help Latin America and Caribbean (LAC) countries participate in and benefit from the Free Trade Area of the Americas (FTAA) negotiations and the pending U.S.-Central America Free Trade Area (CAFTA) agreement. USAID-funded technical assistance and training will increase LAC countries' capacity to transition to free trade and become competitive participants in the global marketplace.

Inputs, Outputs, Activities:

FY 2004 Program:

Asset related constraints reduced (\$2,350,000 DA). USAID-funded technical assistance, assessments/analyses, and regional workshops will be undertaken to improve property rights systems across the LAC region. Technical assistance will be a catalyst to innovations that improve access to finance. USAID will support pilot activities that contribute to lower transaction costs for remittance transfers and that help to encourage the investment of remittances by engaging new financial partners to serve remittance recipients. The program will encourage microfinance institutions to evolve their capacity to expand micro and small enterprise access to private sector credit. USAID-financed technical assistance will also help ensure that maximum benefits from emerging free trade agreements accrue to rural entrepreneurs working in agriculture and non-farm ventures. Activities that foster business links, improve capacity to meet quality standards, and reduce other constraints to doing business and meeting market demand will be undertaken. Alliances with the private sector will be facilitated. Analysis and dialogue on policy needs will also be undertaken. Prime implementers include Chemonics International, the Inter-American Development Bank, the World Bank, Organization of the American States, ACCION International, FINCA, CARANA Corporation, and the U.S. Department of Agriculture and its university partner (Michigan State University).

Business related constraints reduced (\$2,350,000 DA). Negotiation-related technical assistance and training will assist LAC countries implement their national trade capacity building strategies under the FTAA Hemispheric Cooperation Program. The program supports a trade outreach activity to facilitate information dissemination on the benefits of free trade and to foster or strengthen feedback mechanisms for the private sector and civil society into the negotiation process. Prime implementers include CARANA Corporation and other U.S. Government agencies.

FY 2005 Program:

Asset related constraints reduced (\$2,500,000 DA). USAID's program will provide technical assistance and support assessments and policy dialogue to help countries improve property rights systems, contribute to broadening access to finance through supporting innovative approaches and best practices

adoption, and help improve linkages between trade and rural development through activities that enable entrepreneurs to identify and meet market demand. Same implementers as above.

Business related constraints reduced (\$2,500,000 DA). The trade capacity building program will continue to support technical assistance, training, and outreach for countries as they engage in negotiations for the FTAA and as they transition to freer trade under new agreements such as CAFTA. Same implementers as above.

Performance and Results: USAID supported important regional policy events that promoted concrete actions that ultimately take countries closer to achieving Summit of the Americas goals of reforming property registration systems. For example, a Caribbean Land Policy Network was formed and recognized by the Caribbean Community Secretariat as an important means to coordinate professional development in the region and to help lead the way to improved policies. In Guatemala, stakeholders with opposing views on land conflict resolution began a constructive dialogue at a roundtable that has been maintained in their country.

USAID supported innovative activities to improve access to financial services for micro and small enterprises, largely in rural areas. For example, USAID's microfinance partners are now engaging in cost-saving approaches to remittance transfers, and pilot efforts are helping hometown associations improve their community remittance-funded projects. Research on remittance flows and their potential to leverage greater impact was completed and disseminated, spawning a great deal of interest by other USAID programs. The Development Credit Authority (DCA) was used to help enhance rural finance lending to small, environmentally friendly, rural entrepreneurs. Combining the DCA with USAID's Global Development Alliance program, a Finance Alliance for Sustainable Trade is being established to expand market opportunities in rural areas. Finally, USAID began implementing a venture capital fund activity to foster small business growth in the Andean region.

Public-private alliances are helping small farmers increase incomes by selling to specialty markets. The Central American Quality Coffee Alliance is helping to expand partnerships with U.S. and European coffee traders and roasters. Producers are improving the quality of their product and establishing better links to the market. Similarly, the Andean Regional Cocoa Alliance was launched bringing corporate industry leaders together with small farmers to increase farmer incomes and help provide a good alternative to illicit crops.

USAID played a key role in the trade capacity building components of the CAFTA and FTAA negotiations, participating both in the negotiations and the U.S. Government inter-agency process. USAID contributed to the design of the template used by the Central American countries (and, subsequently, by other LAC countries) to prepare national trade capacity building strategies. Under the FTAA Hemispheric Cooperation Program, technical assistance helped Bolivia, Guyana, Peru, and Suriname prepare their trade capacity building strategies, thereby ensuring a consistent U.S. Government message within the response to each country. Support to civil society outreach activities is also helping to keep the trade negotiation processes moving in a positive direction.

Continued progress in this objective will mean that by FY 2007, small producers and businesses in LAC will have greater access to markets, ultimately leading to increased incomes and greater opportunities for trade.

US Financing in Thousands of Dollars

LAC Regional

	DA	DCA
598-017 Market Access		
Through September 30, 2002		
Obligations	12,500	0
Expenditures	7,661	0
Unliquidated	4,839	0
Fiscal Year 2003		
Obligations	3,415	31
Expenditures	5,506	0
Through September 30, 2003		
Obligations	15,915	31
Expenditures	13,167	0
Unliquidated	2,748	31
Prior Year Unobligated Funds		
Obligations	5	0
Planned Fiscal Year 2004 NOA		
Obligations	4,700	0
Total Planned Fiscal Year 2004		
Obligations	4,705	0
Proposed Fiscal Year 2005 NOA		
Obligations	5,000	0
Future Obligations	5,599	0
Est. Total Cost	31,219	31