

## South America Regional PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2002 Actual	FY 2003 Actual	FY 2004 Current	FY 2005 Request
Andean Counterdrug Initiative	5,000	0	0	0
Child Survival and Health Programs Fund	0	2,300	2,155	1,829
Development Assistance	0	0	2,400	5,525
<b>Total Program Funds</b>	<b>5,000</b>	<b>2,300</b>	<b>4,555</b>	<b>7,354</b>

STRATEGIC OBJECTIVE SUMMARY				
530-001 Andean Trade Capacity Building				
ACI	5,000	0	0	0
CSH	0	2,300	0	0
DA	0	0	2,400	2,180
530-XXXX Amazon Malaria Initiative				
CSH	0	0	2,155	1,000
530-YYY South America Performance Fund				
CSH	0	0	0	829
DA	0	0	0	3,345

Mission Director,  
Patricia Buckles

## Data Sheet

<b>USAID Mission:</b>	South America Regional
<b>Program Title:</b>	Andean Trade Capacity Building
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	530-001
<b>Proposed FY 2004 Obligation:</b>	\$2,400,000 DA
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2005 Obligation:</b>	\$2,180,000 DA
<b>Year of Initial Obligation:</b>	2002
<b>Year of Final Obligation:</b>	2007

**Summary:** USAID's Andean Trade Capacity Building Program consists of three main components: 1) enhancing the technical capacity of Andean countries (Bolivia, Colombia, Ecuador, Peru, and Venezuela) to prepare for the Free Trade Agreements (FTA) with the United States and participate in the Free Trade Area of the Americas (FTAA); 2) increasing regional compliance with and utilization of the rules of trade emerging from trade negotiations, and those established in other existing/interim trade agreements, e.g., the World Trade Organization (WTO); and 3) strengthening the capacity of selected groups to participate in global markets. These activities will help the Andean countries increase their levels of international trade as a means of creating employment and raising incomes for the region's poor. By enhancing legitimate external trade opportunities, the Andean countries also will be better positioned to combat the illicit narcotics industry that dominates many isolated areas. USAID implements the Andean Trade Capacity Building program in coordination with other U.S. Government agencies, national authorities involved in trade matters in each country, and the Andean Community's (CAN) General Secretariat.

### Inputs, Outputs, Activities:

#### FY 2004 Program:

Enhanced partnership in trade negotiations (\$1,000,000 DA). USAID will facilitate coordination between the five Andean countries (Bolivia, Colombia, Ecuador, Peru and Venezuela) during the FTAA negotiating process, and increase their technical capacity to analyze and respond to options under consideration. USAID will finance expert analyses and technical training related to competition policy, sanitary and phytosanitary standards (animal health, plant health, and food safety standards), customs valuation (standards and practices for valuation of imports), intellectual property rights, government procurement, and dispute resolution. To ensure rapid institutional capacity building, USAID may also finance long-term advisors within trade ministries. USAID will fund efforts to increase stakeholder and public awareness related to the FTAA/FTA and its challenges and benefits. Major contractors/grantees are Nathan Associates, the U.S. Department of Agriculture (USDA), United States Customs Service, and the Federal Trade Commission (FTC).

Compliance with and utilization of the rules of trade (\$1,000,000 DA). The successful establishment of a hemispheric free trade zone, as well as free trade arrangements directly with the United States, will depend on incremental progress in each country and subregional bloc towards compliance with existing trade standards, e.g., those established by the WTO, and emerging trade standards, e.g., those established in the Andean Trade Promotion and Drug Eradication Act, the FTA and ultimately in the FTAA. USAID technical assistance to regional and national authorities will facilitate the establishment of harmonized standards and provide the impetus for country-specific implementation actions in the same technical areas cited in the previous paragraph. Major contractors/grantees are Nathan Associates, USDA, United States United States Customs Service, and the FTC.

Capacity of selected groups to participate in global markets (\$400,000 DA). As a special target of opportunity, USAID support to the Andean Artisan Enterprise Initiative will enhance the ability of craft producers in Bolivia and Peru to increase their competitiveness and participate in global markets as an

alternative to coca production. USAID funds will be used to provide technical assistance and training in market readiness, organizational development, business skills, design, and quality standards. The program will establish market linkages between Bolivian and Peruvian artisans and local, tourist, regional, and international markets. Aid to Artisans is the principal grantee.

**FY 2005 Program:**

Enhanced partnership in trade negotiations (\$450,000 DA). USAID plans to continue to support facilitation and coordination between the five CAN countries during the FTAA negotiating process. Support is planned to continue building the technical capacities of the CAN countries to analyze and respond to options under consideration, and may also continue to fund efforts to increase stakeholder and public awareness related to the FTA and FTAA and their challenges and benefits. Major contractors/grantees will remain unchanged.

Compliance with and utilization of the rules of trade (\$1,330,000 DA). USAID will continue providing technical assistance to regional and national authorities to facilitate the establishment of harmonized standards and provide the impetus for country-specific implementation actions in areas such as market access, agriculture, investment, government procurement, dispute resolution, competition policy, services, intellectual property rights, economic trade barriers, labor, and environment. Major contractors/grantees will remain unchanged.

Capacity of selected groups to participate in global markets (\$400,00 DA). USAID will continue to support the production and marketing of Andean crafts in order to create employment and income opportunities as an alternative to coca production. Aid to Artisans will continue as the principal grantee.

**Performance and Results:** Following an extensive multilateral consultative process, implementation mechanisms were put in place in mid/late FY 2003 to address priority regional trade capacity building issues: competition policy, sanitary/phytosanitary and food safety standards, and customs valuation. Likewise, Aid to Artisans began operations in Peru and Bolivia in September 2003. FY 2004 will be the first full year of program implementation.

By FY 2007, the Andean countries will be participating in the FTAA, some if not all the countries will have concluded bilateral free trade negotiations with the United States, and the countries will increase their compliance with WTO norms. As a result, trade flows to and from the Andean region will increase, stimulating economic growth and new income and employment opportunities, and reducing poverty in the Andean region. Specifically, USAID assistance will lead to achievement of consensus among negotiating partners on key technical issues, regional harmonization/convergence of approaches related to FTAA standards, and establishment of regional monitoring/enforcement systems. In addition, the Aid To Artisans activity will generate 1,200 jobs and \$900,000 in new sales.

## US Financing in Thousands of Dollars

South America Regional

	ACI	DA
530-001 Andean Trade Capacity Building		
<b>Through September 30, 2002</b>		
Obligations	2,500	0
Expenditures	0	0
Unliquidated	2,500	0
<b>Fiscal Year 2003</b>		
Obligations	2,500	0
Expenditures	118	0
<b>Through September 30, 2003</b>		
Obligations	5,000	0
Expenditures	118	0
Unliquidated	4,882	0
<b>Prior Year Unobligated Funds</b>		
Obligations	0	0
<b>Planned Fiscal Year 2004 NOA</b>		
Obligations	0	2,400
<b>Total Planned Fiscal Year 2004</b>		
Obligations	0	2,400
<b>Proposed Fiscal Year 2005 NOA</b>		
Obligations	0	2,180
Future Obligations	0	0
Est. Total Cost	5,000	4,580

## Data Sheet

<b>USAID Mission:</b>	South America Regional
<b>Program Title:</b>	Amazon Malaria Initiative
<b>Pillar:</b>	Global Health
<b>Strategic Objective:</b>	530-XXXX
<b>Proposed FY 2004 Obligation:</b>	\$2,155,000 CSH
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2005 Obligation:</b>	\$1,000,000 CSH
<b>Year of Initial Obligation:</b>	FY 2003
<b>Year of Final Obligation:</b>	FY 2007

**Summary:** USAID supports malaria control efforts in eight countries (Suriname, Guyana, Venezuela, Colombia, Ecuador, Peru, Brazil and Bolivia), with activities to develop evidence-based and efficient utilization of antimalarials in each country, the introduction or dissemination of tools for malaria control, the improvement of vector control to limit infections and illnesses caused by organisms that transmit disease-carrying germs, and the collaboration and experience exchange within the sub-region to control malaria.

### Inputs, Outputs, Activities:

#### FY 2004 Program:

Antimalarial drug efficacy information available (\$646,000 CSH). USAID funds will be used to provide technical assistance and expertise to help Amazon countries develop evidence-based formulation of policies for antimalarial drugs and surveillance of resistance to antimalarials. Drug efficacy studies are performed periodically, following a standard protocol that will be revised as necessary, and all countries will share results. Major contractors/grantees include the Pan-American Health Organization (PAHO), the Centers for Disease Prevention and Control (CDC), Management Sciences for Health's Rational Pharmaceutical Management (RPM+), the United States Pharmacopeia's Drug Quality Initiative (USP/DQI), and health authorities and institutions in each country.

Entomological information available for high transmission risk areas (\$582,000 CSH). USAID will provide technical assistance and expertise to participating countries to improve vector control operations. The objective is to make vector control operations evidence-based, incorporating information on susceptibility to insecticides and on vector habits collected through standardized methods and protocols. Major contractors/grantees include PAHO, CDC, and health authorities and institutions in each country.

Dissemination of new and improved tools for malaria control (\$388,000 CSH). USAID funds will be used to help develop and/or validate and disseminate interventions and strategies for malaria surveillance and control in the region. Major contractors/grantees include PAHO, CDC and health authorities and institutions in each country.

Increased collaboration for malaria control within the sub-region (\$539,000 CSH). USAID funds will be used to support South-South (intra-regional) collaboration and experience exchange between the eight countries. Major contractors/grantees include PAHO, CDC, RPM+, USP/DQI, and health authorities and institutions in each country.

#### FY 2005 Program:

Antimalarial drug efficacy information available (\$400,000 CSH). USAID will continue assistance to improve Amazon countries' capacities to develop evidence-based formulation of policies for antimalarial drugs and surveillance of resistance to antimalarials. Major contractors/grantees will remain unchanged.

Entomological information available for high transmission risk areas (\$300,000 CSH). USAID will continue to provide technical assistance to participating countries to improve vector control operations. Major contractors/grantees will remain unchanged.

Dissemination of new/improved tools for malaria control (\$150,000 CSH). USAID will continue to help develop and/or validate and disseminate Interventions and strategies for malaria surveillance and control in the region. Major contractors/grantees will remain unchanged.

Increased collaboration for malaria control within the sub-region (\$150,000 CSH). USAID will continue supporting South-South collaboration and experience exchange. Major contractors/grantees will remain unchanged.

**Performance and Results:** All target countries have an adequate number of surveillance sites for evaluating resistance to antimalarial drugs and all use a common protocol. Activities have started in six countries and two have already changed their policies on antimalarial drugs. Studies on the use of rapid tests have been carried out in three countries. Six South-South activities have been implemented. By 2007, all countries will have operationalized policies for antimalarial drugs based on evidence, and will have started programs for the surveillance of resistance to antimalarials in coordination with other participating countries. All countries will have the capability to conduct studies on vector susceptibility to insecticides and on vector habits, use the information in planning vector control interventions, and utilize new tools (e.g. rapid tests), based on scientific evidence.

## US Financing in Thousands of Dollars

South America Regional

530-XXXX Amazon Malaria Initiative	CSH
<b>Through September 30, 2002</b>	
Obligations	0
Expenditures	0
Unliquidated	0
<b>Fiscal Year 2003</b>	
Obligations	0
Expenditures	0
<b>Through September 30, 2003</b>	
Obligations	0
Expenditures	0
Unliquidated	0
<b>Prior Year Unobligated Funds</b>	
Obligations	0
<b>Planned Fiscal Year 2004 NOA</b>	
Obligations	2,155
<b>Total Planned Fiscal Year 2004</b>	
Obligations	2,155
<b>Proposed Fiscal Year 2005 NOA</b>	
Obligations	1,000
Future Obligations	0
Est. Total Cost	3,155

## Data Sheet

<b>USAID Mission:</b>	South America Regional
<b>Program Title:</b>	South America Performance Fund
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	530-YYY
<b>Proposed FY 2004 Obligation:</b>	\$0
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2005 Obligation:</b>	\$829,000 CSH; \$3,345,000 DA
<b>Year of Initial Obligation:</b>	FY 2005
<b>Year of Final Obligation:</b>	FY 2005

**Summary:** The Bureau for Latin America and the Caribbean (LAC) is implementing a number of new approaches designed to improve the effectiveness and strategic focus of its programs. Foremost among these reforms are: strategic budgeting and a greater focus on regional priorities; a closer alignment with the Administration's proposed Millennium Challenge Account (MCA); and the establishment of an incentive-based Performance Fund that rewards good country performance.

The LAC Bureau Performance Fund supports the principles underlying the Administration's proposed Millennium Challenge Account, which conditions development assistance on performance and accountability. The three performance categories of the LAC Performance Fund parallel the performance categories of the MCA: Ruling Justly, Investing in People, and Encouraging Economic Freedom. For each LAC sub-region, the Performance Fund will be divided into three major categories corresponding to the three principal MCA categories, and awards will be made to the best performer under each category.

### Inputs, Outputs, Activities:

#### FY 2004 Program:

None.

#### FY 2005 Program:

Performance Fund (\$829,000 CSH; \$3,345,000 DA). The Performance Fund will serve as an incentive to both USAID missions and host countries to work collaboratively to realign their approach to development, improving their focus on performance, and the achievement of measurable results. Funds will be allocated to USAID missions, not the countries, for programming. However, USAID missions will work closely and collaboratively with the host country in applying to the LAC Bureau for funds in order to assure host country commitment to Performance Fund objectives. The Performance Fund is also supportive of the intent of USAID's new strategic budgeting process, which seeks to make the programming of USAID assistance more performance-driven.

The fund will not be available to countries that qualify for the MCA, but rather will focus on working to move countries towards MCA qualification. For many countries in the region, a Performance Fund award could be an important step leading towards MCA eligibility as it could provide the financing needed to make reforms required to meet MCA criteria. However, once a country qualifies for receiving MCA funding, it will no longer be included for consideration under the Performance Fund.

Funds will be divided roughly by the three strategic MCA categories identified above. The LAC Performance Fund will not, however, use MCA criteria to measure performance. Instead, it will use criteria that will be specifically developed for each LAC sub-region. The Performance Fund will operate on a competitive basis, with the best performer(s) in the sub-region awarded funds. The LAC Bureau will analyze countries' performance annually, review proposals on how the missions would each use the additional funds, and select the best performing country and program under each strategic category.



Once funding allocation decisions have been made, recipient missions will submit Congressional Notifications that describe how the additional funds will be used.

**Performance and Results:** High-level host country awareness of and commitment to the Performance Fund's objectives will rely on close host country involvement in developing indicators, benchmarks, and applications for funding; in-country ceremonies with high-level participation for funding awards; and press events. Expected principal outcomes are: 1) a greater focus on economic, political and social performance by governments within the LAC region; 2) a closer alignment of USAID activities with the Administration's proposed MCA; and 3) positive policy reforms.

## US Financing in Thousands of Dollars

South America Regional

	CSH	DA
530-YYY South America Performance Fund		
<b>Through September 30, 2002</b>		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
<b>Fiscal Year 2003</b>		
Obligations	0	0
Expenditures	0	0
<b>Through September 30, 2003</b>		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
<b>Prior Year Unobligated Funds</b>		
Obligations	0	0
<b>Planned Fiscal Year 2004 NOA</b>		
Obligations	0	0
<b>Total Planned Fiscal Year 2004</b>		
Obligations	0	0
<b>Proposed Fiscal Year 2005 NOA</b>		
Obligations	829	3,345
Future Obligations	0	0
Est. Total Cost	829	3,345