

## Data Sheet

<b>USAID Mission:</b>	Caribbean Regional Program
<b>Program Title:</b>	Competitiveness in the Caribbean
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	538-004
<b>Proposed FY 2004 Obligation:</b>	\$2,905,000 DA; \$860,000 ESF
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2005 Obligation:</b>	\$0
<b>Year of Initial Obligation:</b>	FY 2000
<b>Year of Final Obligation:</b>	FY 2004

**Summary:** USAID's program to help Caribbean businesses meet international standards is being carried out on two fronts: enhancing the private sector's capacity to deliver goods and services competitively while simultaneously supporting the development of legislative and regulatory structures that encourage and support open trade and global competitiveness. This high-profile, demand-driven program has become the flagship initiative for the U.S. Government's support to Caribbean states in their efforts to prepare for entrance to the Free Trade Area of the Americas (FTAA) and other trade regimes. Ambitious efforts involving extensive input from the region's private and public sectors, as well as regional organizations such as Caribbean Community Secretariat (CARICOM) and the Organization of Eastern Caribbean States (OECS), have been underway to define the type of assistance needed to successfully meet the FTAA challenge and aggressively compete in the global economy.

### Inputs, Outputs, Activities:

#### FY 2004 Program:

Support for identification and elimination of constraints to doing business (\$2,905,000 DA). On-going efforts to identify and eliminate constraints to doing business in the region will continue. The Caribbean Regional Internship and Scholarship Program, which helps to develop the human capacity businesses need to be more competitive, will move into full implementation mode. In addition, a Development Credit Authority loan guarantee program may be developed to increase access to credit for businesses in targeted sectors, such as tourism, and stimulate economic growth. Principal contractors and grantees will be the Carana Corporation and the Academy for Educational Development, as well as financial institutions not yet identified.

Legislative/Policy framework established to support free trade (\$860,000 ESF). Activities will continue to develop the region's legal, regulatory, and institutional capacity to facilitate trade. In particular, support will be provided to help develop and implement national trade strategies under the FTAA's Hemispheric Cooperation Program. A training curriculum will be developed in the area of trade policy support, and an academic degree granting program that addresses the trade agenda will be established. Also, technical assistance will continue to CARICOM's Regional Negotiating Machinery to strengthen capacity as a negotiating mechanism and ensure that CARICOM member states are fully prepared to participate in the FTAA process. Also, efforts will continue to facilitate the development of CARICOM's plans for transitioning to a single market economic zone. Draft legislation and regulations for food, animal, and plant safety for the OECS and Barbados will be finalized. The development of new tax regimes for Grenada and Dominica will commence with the replacement of trade taxes with value-added systems. Contractors, grantees, and other partners will include Carana Corporation, the Regional Negotiating Machinery, the Caribbean Regional Technical Assistance Center, and others not yet identified.

#### FY 2005 Program:

No new funds will be obligated to this SO in FY 2005. During this fiscal year, USAID will focus on ensuring the sustainability of program impacts and facilitating a smooth transition into the Mission's new regional strategic plan for the Caribbean for FY 2005 - FY 2009.

**Performance and Results:** In FY 2003, the program helped 48 firms to improve their capacity to export into the global market. Arising from this assistance, a control group of 30 firms increased its export sales by 19%, from \$2,100,000 in 2002 to \$2,500,000 in 2003. In addition, the deregulation of the telecommunications sector throughout the OECS countries was completed, resulting in \$89 million in new investments in 2003.

By the end of the strategy in FY 2004, it is expected that the Caribbean region will have a business environment that is more conducive to competition in the global marketplace. Model firms will have adopted international standards of best business practices, thereby improving their productivity, profitability, and capability to compete internationally. An operational telecommunications regulatory structure will increase the number of new businesses in the region, and appropriate food, plant and animal health legislation will be in place for OECS countries.

## US Financing in Thousands of Dollars

### Caribbean Regional Program

	DA	ESF
538-004 Competitiveness in the Caribbean		
<b>Through September 30, 2002</b>		
Obligations	457	9,700
Expenditures	357	2,325
Unliquidated	100	7,375
<b>Fiscal Year 2003</b>		
Obligations	5,300	1,000
Expenditures	90	5,032
<b>Through September 30, 2003</b>		
Obligations	5,757	10,700
Expenditures	447	7,357
Unliquidated	5,310	3,343
<b>Prior Year Unobligated Funds</b>		
Obligations	0	0
<b>Planned Fiscal Year 2004 NOA</b>		
Obligations	2,905	860
<b>Total Planned Fiscal Year 2004</b>		
Obligations	2,905	860
<b>Proposed Fiscal Year 2005 NOA</b>		
Obligations	0	0
Future Obligations	0	0
Est. Total Cost	8,662	11,560