

**South America Regional  
PROGRAM SUMMARY**

(in thousands of dollars)

| Accounts                                | FY 2001<br>Actual | FY 2002<br>Actual | FY 2003<br>Prior Request | FY 2004<br>Request |
|---|-------------------|-------------------|--------------------------|--------------------|
| Andean Counterdrug Initiative           | 0                 | 5,000             | 0                        | 2,400              |
| Child Survival and Health Programs Fund | 0                 | 0                 | 0                        | 1,154              |
| Development Assistance                  | 0                 | 0                 | 0                        | 2,400              |
| <b>Total Program Funds</b>              | <b>0</b>          | <b>5,000</b>      | <b>0</b>                 | <b>5,954</b>       |

**STRATEGIC OBJECTIVE SUMMARY**

|   |   |       |   |       |
|---|---|-------|---|-------|
| 530-001 Andean Trade Capacity Building    |   |       |   |       |
| ACI                                       | 0 | 5,000 | 0 | 2,400 |
| DA  | 0 | 0     | 0 | 2,400 |
| 530-XXXX Reduction of Infectious Diseases |   |       |   |       |
| CSH                                       | 0 | 0     | 0 | 1,154 |

## 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>Status:</b>                      | New                                    |
| <b>Proposed FY 2003 Obligation:</b> | \$0                                    |
| <b>Prior Year Unobligated:</b>      | \$2,500,000 ACI                        |
| <b>Proposed FY 2004 Obligation:</b> | \$2,400,000 ACI; \$2,400,000 DA        |
| <b>Year of Initial Obligation:</b>  | 2002                                   |
| <b>Estimated Completion Date:</b>   | 2007                                   |

**Summary:** This new regional program will facilitate the participation of the Andean Community in the Free Trade Areas of the Americas (FTAA) to create employment and raise incomes for the region's poor. The Andean Community is defined as Bolivia, Colombia, Ecuador, Peru and Venezuela, based on their membership in the Andean Community and their status as a bloc in FTAA negotiations. By enhancing legitimate external trade opportunities, the Andean countries will be better able to combat the illicit narcotics industry that dominates many isolated areas. The program consists of three main components: 1) enhancing the technical capacity of the Andean Community (CAN) to prepare for the FTAA; 2) increasing regional compliance with and utilization of the rules of trade emerging from FTAA negotiations, and those established in other existing/interim trade agreements (e.g., WTO); and 3) strengthening the capacity of selected groups to participate in global markets. USAID/Peru will initiate work under this program in FY 2003, using FY 2002 funding, in coordination with the Andean Community's General Secretariat, USAID and Embassy staff in each country, USAID/Washington and other U.S. Government agencies.

### **Inputs, Outputs, Activities:**

#### **FY 2003 Program:**

The regional trade program will use FY 02 funds to finance FY 03 activities, therefore FY 03 funds will not be needed.

Enhanced capacity of the CAN as a partner in FTAA negotiations (no FY 2003 funding planned). USAID will facilitate coordination between the five CAN countries 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 issues such as market access, agriculture, investment, government procurement, dispute resolution, competition policy, services, intellectual property rights, subsidies/anti-dumping/countervailing duties, labor and environment. USAID may fund efforts to increase stakeholder/public awareness related to the Free Trade Area of the Americas and its challenges/benefits. Major contractors and grantees are likely to include other USG agencies (e.g., the Department of Agriculture, the Customs Service and the Federal Trade Commission) and private sector contractors.

Increased regional compliance with and utilization of the rules of trade (no FY 2003 funding planned). In addition to concluding negotiations in each of the FTAA technical areas, the successful establishment of a hemispheric free trade zone will depend on incremental progress in each country and sub-regional bloc towards compliance with existing trade standards (e.g., WTO) and emerging trade standards (e.g., those established in Andean Trade Promotion and Drug Eradication Act 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 and grantees are likely to include other USG agencies (e.g., the Department of Agriculture, the Customs Service and the Federal Trade Commission) and private sector contractors.

Strengthened capacity of selected groups to participate in global markets (no FY 2003 funding planned). As a special target of opportunity, USAID will support the production and marketing of Andean crafts in order to create employment and income opportunities as an alternative to coca production. Initially, work will focus on Peruvian and Bolivian artisans, and may expand to other countries in the future. Aid to Artisans will be the principal grantee.

**FY 2004 Program:**

Activities will continue in FY 2004 as described above.

Enhanced capacity of the CAN as a partner in FTAA Negotiations (\$700,000 ACI). USAID will continue to facilitate coordination between the five CAN countries during the FTAA negotiating process, increase their technical capacity to analyze and respond to options under consideration and possibly fund efforts to increase stakeholder/public awareness related to the Free Trade Area of the Americas and its challenges/benefits.

Increased regional compliance with and utilization of the rules of trade (\$1,000,000 ACI). 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 areas such as market access, agriculture, investment, government procurement, dispute resolution, competition policy, services, intellectual property rights, subsidies/anti-dumping/countervailing duties, labor and environment.

Strengthened capacity of selected groups to participate in global markets (\$700,000 ACI). 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. The activity may be expanded to other Andean countries.

**Performance and Results:** USAID will contribute to the establishment of the FTAA and the Andean countries' compliance with WTO norms, thereby increasing trade flows, 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 selected FTAA standards, and establishment of regional monitoring/enforcement systems related to selected FTAA standards.

## US Financing in Thousands of Dollars

South America Regional

|  | ACI   | DA    |
|--|-------|-------|
| 530-001 Andean Trade Capacity Building |       |       |
| <b>Through September 30, 2001</b>      |       |       |
| Obligations                            | 0     | 0     |
| Expenditures                           | 0     | 0     |
| Unliquidated                           | 0     | 0     |
| <b>Fiscal Year 2002</b>                |       |       |
| Obligations                            | 2,500 | 0     |
| Expenditures                           | 0     | 0     |
| <b>Through September 30, 2002</b>      |       |       |
| Obligations                            | 2,500 | 0     |
| Expenditures                           | 0     | 0     |
| Unliquidated                           | 2,500 | 0     |
| <b>Prior Year Unobligated Funds</b>    |       |       |
| Obligations                            | 2,500 | 0     |
| <b>Planned Fiscal Year 2003 NOA</b>    |       |       |
| Obligations                            | 0     | 0     |
| <b>Total Planned Fiscal Year 2003</b>  |       |       |
| Obligations                            | 2,500 | 0     |
| <b>Proposed Fiscal Year 2004 NOA</b>   |       |       |
| Obligations                            | 2,400 | 2,400 |
| Future Obligations                     | 0     | 0     |
| Est. Total Cost                        | 7,400 | 2,400 |

## Data Sheet

|                                     |                                  |
|-------------------------------------|----------------------------------|
| <b>USAID Mission:</b>               | South America Regional           |
| <b>Program Title:</b>               | Reduction of Infectious Diseases |
| <b>Pillar:</b>                      | Global Health                    |
| <b>Strategic Objective:</b>         | 530-XXXX                         |
| <b>Status:</b>                      | New                              |
| <b>Proposed FY 2003 Obligation:</b> | \$0                              |
| <b>Prior Year Unobligated:</b>      | \$0                              |
| <b>Proposed FY 2004 Obligation:</b> | \$1,154,000 CSH                  |
| <b>Year of Initial Obligation:</b>  | FY 2003                          |
| <b>Estimated Completion Date:</b>   |                                  |

**Summary:** In collaboration with USAID/Peru and USAID/Bolivia, USAID will train and supervise surveillance site personnel, perform drug efficacy studies to use in updating drug protocols for maximum effectiveness in reducing malaria, conduct operations research on effectiveness of malaria control measures, and expand the database of region-specific materials on malaria control and prevention.

### **Inputs, Outputs, Activities:**

#### **FY 2003 Program:**

Amazon Malaria Initiative. The Amazon Malaria Initiative (AMI) will assist countries to analyze drug resistance, study findings, and implement new treatment guidelines; train program managers; begin adaptation of vector control interventions to the Amazon; and continue to implement malaria surveillance activities. Methods and approaches will be adapted to strengthen health reform outcomes; collect, synthesize, and disseminate country experiences and best practices; monitor the outcomes and processes of health sector reform; and conduct South-South (intra-regional) exchanges. This activity is being transferred from the LAC Regional Program to the South America Regional Program. The program is included in 598-003 in the FY 2003 Planned Level.

#### **FY 2004 Program:**

The results realized from FY 2003 activities will be analyzed and programs will focus depending on the findings.

**Performance and Results:** This program will begin in FY 2003. Performance indicators will be developed as part of the S.O. design process.

## US Financing in Thousands of Dollars

South America Regional

|   |            |
|---|------------|
| 530-XXXX Reduction of Infectious Diseases | <b>CSH</b> |
| <b>Through September 30, 2001</b>         |            |
| Obligations                               | 0          |
| Expenditures                              | 0          |
| Unliquidated                              | 0          |
| <b>Fiscal Year 2002</b>                   |            |
| Obligations                               | 0          |
| Expenditures                              | 0          |
| <b>Through September 30, 2002</b>         |            |
| Obligations                               | 0          |
| Expenditures                              | 0          |
| Unliquidated                              | 0          |
| <b>Prior Year Unobligated Funds</b>       |            |
| Obligations                               | 0          |
| <b>Planned Fiscal Year 2003 NOA</b>       |            |
| Obligations                               | 0          |
| <b>Total Planned Fiscal Year 2003</b>     |            |
| Obligations                               | 0          |
| <b>Proposed Fiscal Year 2004 NOA</b>      |            |
| Obligations                               | 1,154      |
| Future Obligations                        | 0          |
| Est. Total Cost                           | 1,154      |