

## Data Sheet

<b>USAID Mission:</b>	Economic Growth, Agriculture and Trade
<b>Program Title:</b>	Economic Growth
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	905-101
<b>Proposed FY 2004 Obligation:</b>	\$12,690,000 DA
<b>Prior Year Unobligated:</b>	\$2,919,000 DA
<b>Proposed FY 2005 Obligation:</b>	\$12,690,000 DA
<b>Year of Initial Obligation:</b>	2004
<b>Year of Final Obligation:</b>	2009

**Summary:** USAID's program to promote open and competitive economies includes: 1) enhancing the capacity of countries to participate in, and benefit from, global trade and investment; 2) improving macroeconomic stability and economic governance to foster favorable business environments; and 3) strengthening private sector capacity to respond to opportunities in the global market place. This replaces SO 933-008 Open, Competitive Economies Promoted.

### Inputs, Outputs, Activities:

#### FY 2004 Program:

Global Trade and Investment (\$5,900,000 DA). This program serves as a catalyst, stimulating innovative field mission efforts to support increased trade capacity and investment in partner countries as a part of USAID's trade strategy. In FY 2004, special attention will go to building trade capacities in support of multilateral and U.S. bilateral trade agreements particularly in the areas of sanitary and phyto-sanitary standards (SPS), services trade and liberalization, World Trade Organization (WTO) accession, and commercial law reform. The SPS initiative will help missions address how developing countries can increase their agricultural exports by meeting sanitary standards in export markets. A services trade facility will encourage missions to initiate new programs. Assistance to facilitate Cape Verde's accession to the WTO will continue, and will likely be extended to Ethiopia. In the five Central American Free Trade Agreement (CAFTA) countries, efforts will focus on making commercial laws consistent with the Agreement requirements. Technical assistance will help missions design new customs reform activities and help eliminate customs-related constraints on trade. The program will also address trade agreement compliance problems identified by the U.S. Trade Representative and the State Department. Support will continue to the Integrated Framework Trust Fund for Trade-Related Technical Assistance, a joint effort by multilateral and bilateral donors to help least-developed countries incorporate trade considerations into their development strategies. Principal contractors/grantees: Nathan Associates, Development Alternatives, Inc. (DAI), Booz Allen, Deloitte Touche Tohmatsu, and Carana.

Economic Policy and Governance (\$2,520,000 DA). A new fiscal reform activity will strengthen USAID's ability to link trade liberalization and fiscal stability, facilitate access by USAID missions to specialized expertise for use in analysis and design of tax and expenditure activities, and improve technical competence on fiscal issues among USAID staff. The program will also help missions identify the main constraints to economic growth in their countries and thus develop more effective programs, as well as assist African research institutions to increase their capacity to develop sound trade policy. New activities to improve USAID's understanding of, and ability to address, the economic growth implications of HIV/AIDS and corruption are also planned. Technical assistance will be provided for the design and implementation of macroeconomic reforms. Implementers include DAI and Cornell University.

Enterprise Development and Financial Markets (\$4,270,000 DA). Findings from assessments of enterprise development activities will be used to help USAID missions more effectively raise productivity and incomes through sector and firm-level interventions. A grant to the World Economic Forum will expand the number of USAID partner countries included in the Forum's annual global competitiveness

index. The program will launch a new “volunteers for economic growth” facility to assist volunteer organizations to implement economic growth programs in developing countries. A new initiative will identify best practices in corporate social responsibility, including employer response to HIV/AIDS issues. More strategic mission approaches to financial sector reform will be encouraged--linking USAID programs more closely to reform initiatives of multilateral institutions. A new grant to the World Bank's Financial Sector Reform and Strengthening Initiative will allow USAID missions and partner countries to access the greater financial and technical resources available through the initiative. An assessment will be made of existing Investor Roadmap studies to consolidate lessons learned and improve investment promotion programs. Assistance will also be provided to help developing countries improve their infrastructure through private sector involvement and to support mission efforts in the area of corporate governance. Contractors and grantees are: World Economic Forum, Center for International Private Enterprise, U.S. Securities and Exchange Commission, U.S. Federal Deposit Insurance Corporation, IBM Business Consulting, the Financial Sector Volunteer Corps, Institute of International Education, Kenan Institute, and the Public Private Infrastructure Advisory Facility (PPIAF)

**FY 2005 Program:**

Global Trade and Investment (\$7,030,000 DA). Funding will continue for activities that are central to the Agency's trade capacity building programs, e.g. activities relating to customs, SPS, WTO accession/compliance, service sector liberalization, and commercial law. Technical support will be provided to missions to develop and enhance programs that increase productivity and diversify production. These efforts will be particularly critical in the wake of bilateral and multilateral trade negotiations and in anticipation of the termination of the WTO Agreement on trade in apparel. USAID will also continue to implement the U.S. Government's (USG) Trade Capacity Building Survey. Implementers include Nathan Associates, DAI, Booz Allen, and Carana.

Economic Policy and Governance (\$2,275,000 DA). Economic governance, business and HIV/AIDS, and anti-corruption activities will improve and expand interventions addressing constraints to economic growth and the economic implications of HIV/AIDS and corruption. Fiscal reform activities to promote economic stability and develop sound tax and expenditure programs will grow to include additional countries. Implementers include DAI and Cornell University.

Enterprise Development and Financial Markets (\$3,385,000 DA). Activities will support the development and dissemination of best practice models to enhance investment climates and the growing productivity of developing country producers, allowing them to operate more successfully in global markets. Enhanced financial sector activities will help USAID missions to sharpen the focus of programs in this area, reducing the risk of financial sector crises and helping increase levels of intermediation needed to support growing trade and investment. Funds will also provide for training of USAID Economic Growth Officers. Implementers include IBM Business Consulting and PPIAF.

**Performance and Results:** In 2003, the Economic Growth Program developed sector strategies for trade capacity building and financial sector development. These provided a framework for assistance to missions in such areas as fiscal reform, customs, service sector liberalization, mortgage market development, and sanitary and phyto-sanitary standards. The Economic Growth Program also assisted in the initiation of 72 new USAID trade capacity building programs that mainstream trade into country policies and USAID programs worldwide. This included development and application of a new analytic tool for helping developing countries understand and adjust to pending radical changes in the global market for textiles and apparel. The program dramatically strengthened USAID support for U.S. bilateral trade negotiations--leading regular state-of-the-art reviews among USAID staff who supported negotiations with CAFTA, Morocco, and Southern African Customs Union. The annual USG Trade Capacity Building Survey was also completed in time for the WTO Ministerial Meeting in Cancun. Finally, the Program led close to 10 training programs and workshops to increase the depth and breadth of knowledge and skills of 170 USAID staff, thus improving the Agency's capacity to promote open and competitive economies worldwide.

## US Financing in Thousands of Dollars

### Economic Growth, Agriculture and Trade

905-101 Economic Growth	DA
<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	2,919
<b>Planned Fiscal Year 2004 NOA</b>	
Obligations	12,690
<b>Total Planned Fiscal Year 2004</b>	
Obligations	15,609
<b>Proposed Fiscal Year 2005 NOA</b>	
Obligations	12,690
Future Obligations	64,000
Est. Total Cost	92,299