

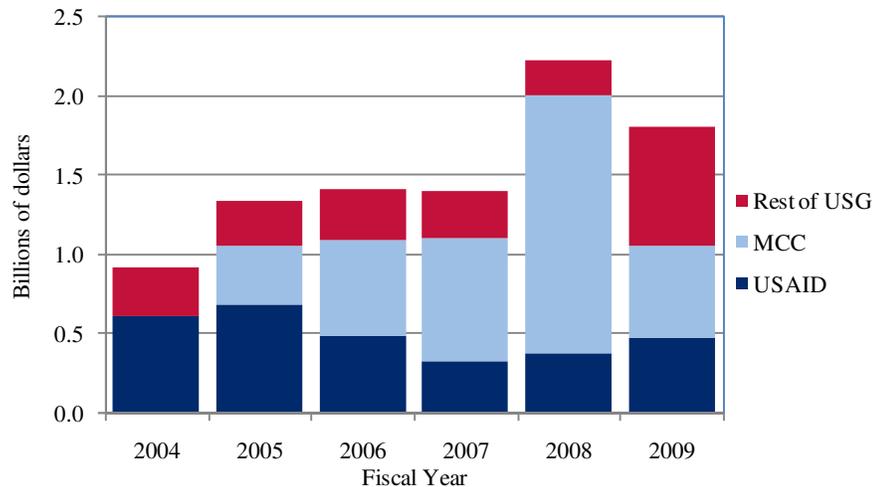
Trade Capacity Building Eases to \$1.8 Billion in 2009

Millennium Challenge Corporation Funding Moderates after More Than Doubling in 2008

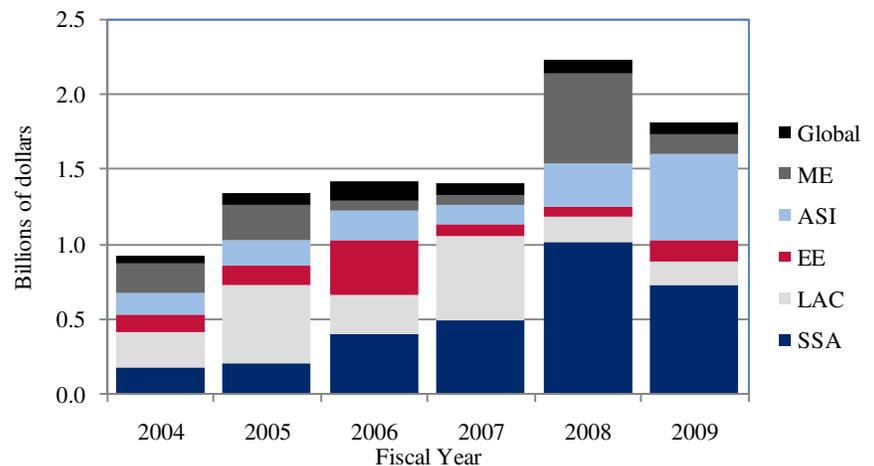
Trade Capacity Building (TCB) funding by the U.S. Government (USG) was \$1.8 billion in 2009, down from \$2.2 billion in 2008. TCB funds from the Millennium Challenge Corporation (MCC) were \$0.6 billion in 2009 after more than doubling in 2008. The moderation of MCC funding was only partly offset by funding from the rest of the USG funding, which more than doubled in 2009. Trade-related infrastructure funding by the Department of the Army was just over \$0.5 billion in 2009, making it the second largest agency in terms of funding. Funding by USAID increased 24 percent in 2009, to \$0.5 billion, making it the third largest funder. Other agencies which funded TCB, in descending order by the 2009 amount, included Labor, State, Overseas Private Investment Corporation, Treasury, Trade and Development Agency, Agriculture, the African Development Foundation, Peace Corps, Export-Import Bank, Commerce, and Health & Human Services. In addition, the Federal Trade Commission, Inter-American Foundation, Defense, and Justice also funded TCB in 2009 in each totaling amounts less than one million dollars.

The regional distribution of TCB funds in 2009 continued the pattern of notable shifts from year to year. In both 2008 and 2009, the Sub-Saharan Africa region was the largest recipient of TCB funds. But the Middle East region, which claimed more than a quarter of the total in 2008, had only seven percent in 2009. The largest shift upward was in the Asia region, which received nearly one third of the 2009 total going there after only 13 percent in 2008. TCB going to global, or non-region specific activities, was steady at four percent in 2009.

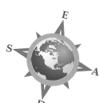
Total TCB Spending By Agency, 2004-2009



Total TCB Spending By Region, 2004-2009



(See Notes on page 4 for regional definitions used in this graph.)



USAID Funding for TCB in 2009 Remains Comprehensive and Widespread

As has been true since 1999, USAID funding for TCB reaches the largest number of countries and regions when compared with all other USG agencies. USAID funded activities in 82 countries and 10 regional groups, while MCC was in only four countries. For 2009, the Department of State funded activities in 49 countries and six regional groups. Among the countries with State TCB funding, 18 percent had funding of \$10,000 or less in 2009. By contrast, four percent of USAID funded countries for 2009 were funded less than \$15,000 and only nine percent of the countries had TCB funding less than \$100,000. USAID funding in 2009 is allocated in 34 of the 35 TCB categories, while MCC spans funding in nine different categories. The State Department funds activities in nine of the TCB categories.

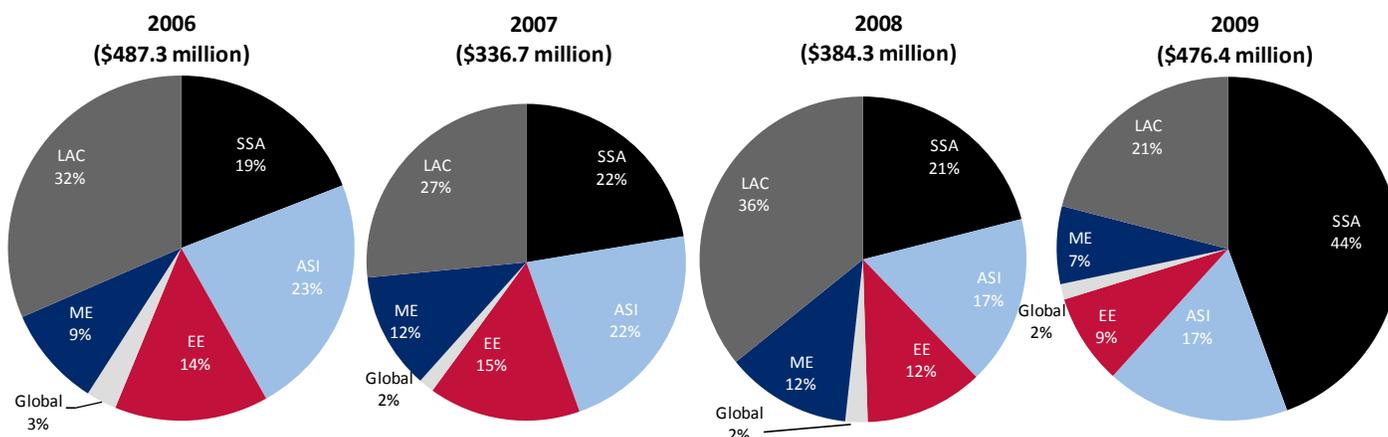
Since 2005, among USAID-funded countries, three have consistently received large TCB amounts: Colombia, Afghanistan, and Egypt. In 2009, Egypt ranked 8th overall. In each case, the recipient’s level of overall foreign assistance is also consistently large. As the next table shows, several other countries receive large TCB amounts for a year or two, but not over an extended period.

Rank Order of Countries Based on USAID Funding Received for TCB					
Rank	2005	2006	2007	2008	2009
1	Iraq	Afghanistan	Afghanistan	Colombia	Sudan
2	Egypt	Colombia	Egypt	Liberia	Colombia
3	Colombia	Egypt	Dominican Republic	Dominican Republic	Liberia
4	Afghanistan	Nicaragua	Indonesia	Egypt	Afghanistan
5	West Bank/Gaza	Peru	El Salvador	West Bank/Gaza	Ghana

In addition to the bilateral, country-specific TCB funding, USAID continues to support countries through global, regional, and secretariat funding. Global funding was \$75.4 million in 2009, down from \$91.4 million in 2008. The largest regional (non-country specific) TCB recipient was Sub-Saharan Africa (\$28.5 million in 2009) while five different secretariats received TCB support as high as \$6.5 million.

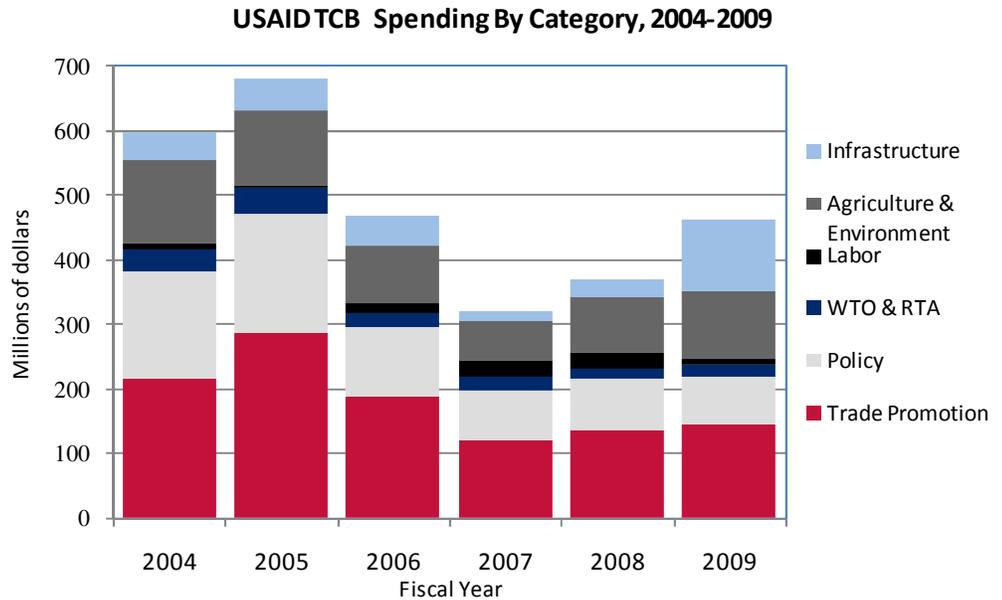
The four charts (below) highlight the changes in USAID funding for TCB from 2006 to 2009. The pie charts are proportional to the overall funding totals. The regional distribution of funding changed notably. The share of USAID TCB funding going to Sub-Saharan Africa has more than doubled since 2006. By contrast, the share in Latin America and the Caribbean has dropped by about one third since 2006. Levels to Asia and Europe and Eurasia have remained relatively consistent.

USAID Funding for TCB, Regional Distribution: 2006 through 2009



The largest category for USAID TCB remains Trade Promotion, but the Infrastructure category in 2009 has slightly overtaken Agriculture and Environment for second place. The two TCB categories with more USAID funding in 2009 than in 2004 are Infrastructure (which more than doubled) and Labor.

In 2009, Trade Promotion was 32% of overall USAID funding, down from 37% in 2008. Infrastructure increased to 24% of USAID funding, up from seven percent in 2008. Funding for “Agriculture and Environment” decreased from 23% to 22%.



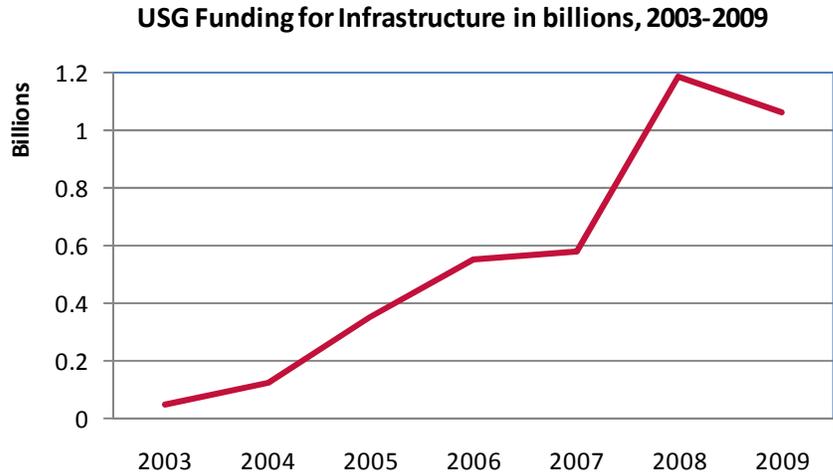
(See Notes on page 4 for definitions of the TCB categories.)

Physical and Economic Infrastructure Funding Throughout the Government on the Rise

Increased funding for physical and economic infrastructure remains a trend, both in USAID and the rest of the US government as well. In 2009, the Department of the Army contributed over \$0.5 billion to support infrastructure (including transportation, electricity and telecommunications) in both Afghanistan and Iraq. Additionally, OPIC’s contributions to infrastructure projects in 2009 increased over 250 percent from 2007 levels. Projects include providing \$25.5 million in Political Risk Insurance to ContourGlobal Togo LLC for a power plant in Togo and \$150 million in Political Risk Insurance to General Electric Capital Corporation for the provision of potable water in Jordan.

Also, infrastructure activities funded by the Trade and Development Agency are at their highest levels (\$14 million, up from \$9 million in 2008). TDA funds a variety of infrastructure projects, including technical assistance for airports in Ghana, feasibility studies on port development in Colombia, and improvements in freight transportation in Pakistan.

MCC funding for infrastructure also remains high, though lower than previous levels. The 2009 Georgia Compact includes \$60 million for road rehabilitation and \$13 million in energy infrastructure rehabilitation. The Burkina Faso Compact includes over \$190 million in road development and maintenance.



Full details on TCB funding for the years 1999-2009 can be found online at <http://tcb.eads.usaidallnet.gov/>. This online database enables the user to create specific funding tables and also access activity descriptions of the programs which comprise trade capacity building. Email tcb@devtechsys.com for more details.

NOTES FOR GRAPHS ON PAGES 1 and 2 The regional graphs use five summary regions for TCB.	
Region in snapshot graph	Includes these regions used in the TCB online database
E&E	Europe and Eurasia
Global	Global*
LAC	Latin America and Caribbean
EE	East Asia and Oceania South Asia
ME	Middle East and North Africa
SSA	Sub-Saharan Africa

* TCB funding that is not specifically allocated to one country or region is classified as “Global not specified” or “Global ns” in the database.

NOTES FOR TOP GRAPH ON PAGE 3 The graph uses six summary categories for TCB. The summary categories in this Snapshot include the following TCB Database categories:		
Category in snapshot graphs	Includes these categories used in the TCB online database	
Infrastructure	Trade-related Physical Infrastructure	
Agriculture and Environment	Trade-related Agricultural Development	Environmental Trade and Standards
Trade Promotion	Ecommerce and IT Export Promotion Business Services and Training	Other Trade Facilitation Services Trade Development Other Trade Capacity Building
Policy	Customs Operations and Administration Financial Sector Development and Good Governance	Competition Policy and Foreign Investment Governance/Transparency and Interagency Coordination
Labor	Human Resources and Labor Standards	
WTO and Regional Trade Agreements (RTA)	WTO Accession and Awareness WTO Agreements (sum of)	Regional Trade Agreements

The TCB Database is maintained by the Economic Analysis and Data Services (EADS), the central source for data on developing countries at the U.S. Agency for International Development. EADS provides technical staff and policy makers with access to social and economic data, with analytical and technical support, and with data based research services. EADS regularly disseminates data from international sources either directly to its data users or more widely through the Agency's web site. <http://tcb.eads.usaidallnet.gov/>