

## Trade Capacity Building Eases to \$1.7 Billion in FY2010

Total U.S. Government Trade Capacity Building Assistance was \$1.8 billion in FY2009 and \$1.7 billion in FY2010. Both levels represent modest declines from the \$2.2 billion in FY2008, a year with several large country compacts with the Millennium Challenge Corporation (MCC).

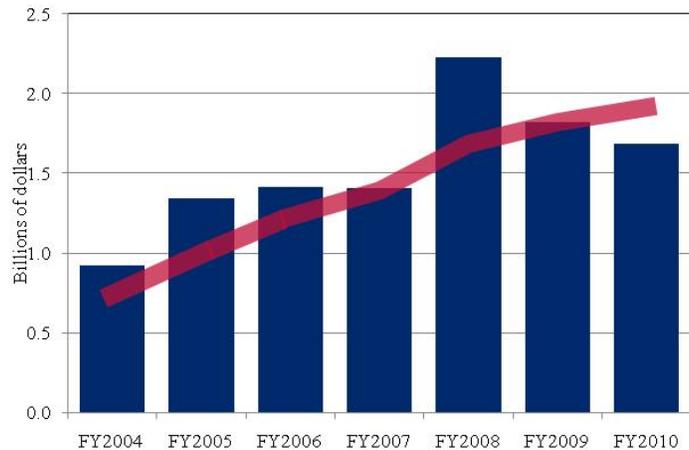
To analyze the underlying trend of the TCB funding data, a three-year moving average is used in Graph 1. The TCB Database has always been based on funding at the time of obligation rather than disbursement or expenditure. For many of the TCB activities in the database, the funding level does not match up with the fiscal year the activity is in operation and being funded. For example, in the case of a three-year project in a country from FY08 to FY10 where the funding is all FY08 money, the TCB Database would show funding for FY08 and none for FY09 and FY10.

A wide variety of U.S. Government agencies fund and implement trade capacity building activities in developing countries. MCC funding for TCB in FY2010 increased 25 percent over FY2009, with country compacts with Senegal and Moldova explaining the sharp rise. USAID funding for TCB increased seven percent in FY2010, to more than a half billion dollars, with significant increases for the CAFTA-DR countries. TCB funding by the Department of State increased 13 percent in FY2010, to just under \$110 million.

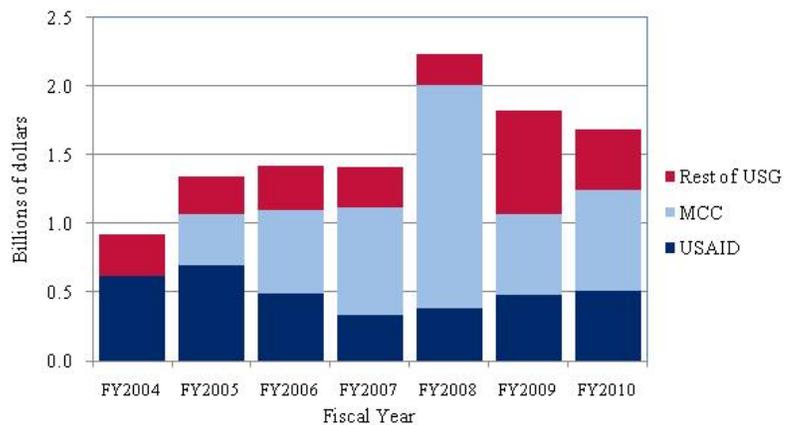
Offsetting these increases was lower TCB funding in Afghanistan. U.S. Government funding for trade-related physical infrastructure development (mostly for transportation systems) dropped from \$433 million in FY2009 to \$76 million in FY2010 in Afghanistan. Funding for development projects overall in Afghanistan did not fall as sharply, but the composition of the activities shifted toward non-trade related objectives.

Among U.S. Government agencies, both the MCC and USAID reported higher funding levels in FY2010 than in FY2009. The MCC's higher funding level in FY2010, although still lower than its peak level in FY2008, was concentrated in Senegal with just under a half billion dollars.

Graph 1. U.S. Government Trade Capacity Building Funding, FY2004-FY2010  
RED LINE SHOWS TREND (THREE-YEAR MOVING AVERAGE)



Graph 2. Total TCB Spending By Agency, FY2004-FY2010



### USAID Funding for TCB in FY2010 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. Two areas of focus in recent years have been the Sudan and Colombia, two countries ranked first and second in USAID funding in both FY2009 and FY2010. Looking beyond those two notably large country funding levels, USAID funding for TCB is still extensive. In FY2010, USAID funded TCB in 92 countries and the average funding level per country was just under \$400,000.

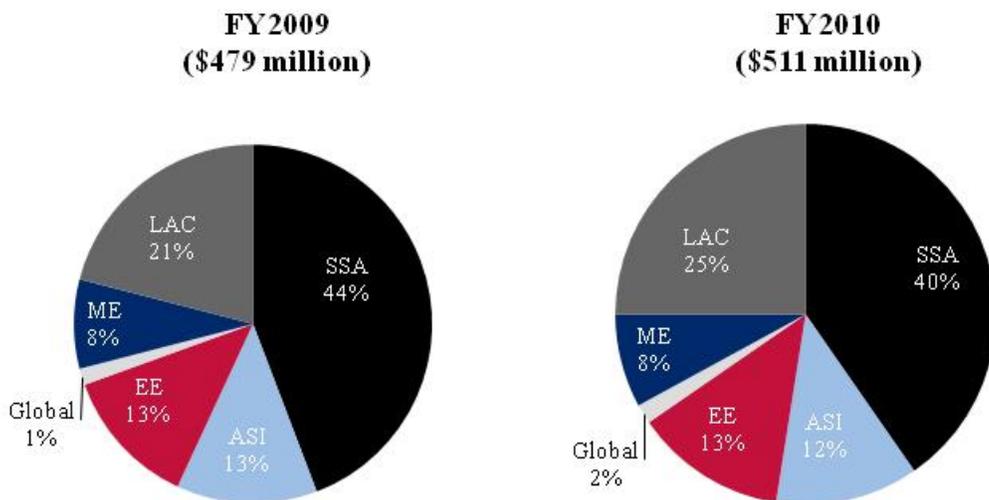
Since FY2007, among USAID-funded countries, three have consistently received large TCB amounts: Colombia, Afghanistan, and the Dominican Republic. As the next table shows, several other countries receive large TCB amounts for a year or two, but not over an extended period.

Rank	FY2007	FY2008	FY2009	FY2010
1	Afghanistan	Colombia	Sudan	Sudan
2	Egypt	Liberia	Colombia	Colombia
3	Dominican Republic	Dominican Republic	Liberia	Afghanistan
4	Indonesia	Egypt	Afghanistan	Rwanda
5	El Salvador	West Bank/Gaza	Ghana	Dominican Republic

In addition to the bilateral, country-specific TCB funding, USAID continues to support countries through global, regional, and secretariat funding. The largest regional (non-country specific) TCB recipient was Sub-Saharan Africa (\$27.9 million in FY2010), but Central America (\$27.3 million) followed its lead closely.

The two charts (below) highlight the changes in USAID funding for TCB from FY2009 to FY2010. The pie charts are proportional to the overall funding totals. The regional distribution of funding changed very little, except that Latin America and the Caribbean gained a large share of the overall increase.

**Graph 3. USAID Funding for TCB, Regional Distribution: FY2009 versus FY2010**

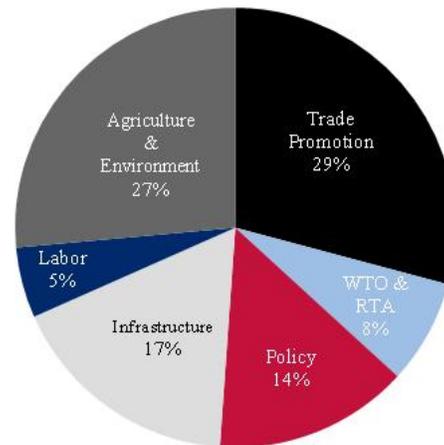


The largest group of categories for USAID TCB remains “Trade Promotion,” up to \$149 million in FY2010. “Agriculture and Environment” has overtaken the Infrastructure group in FY2010 for second place.

Examples of USAID TCB activities in the Trade Promotion group of categories include: a component of the MARKETS Trade and Transportation project in Nigeria which improves customs operations and administration (\$3.0 million in FY2010); a component of the Enterprise and Employment Activity in Nicaragua which provides technical assistance and training to small and medium enterprises to enhance their managerial skills (\$0.6 million in FY2010); and a component of the Afghanistan Small Medium Enterprise Development (ASMED) project which improves market information, supports business associations, and enables participation in international trade fairs (\$0.7 million in FY2010).

(See Notes on page 4 for definitions of the groups of TCB categories used in this pie chart.)

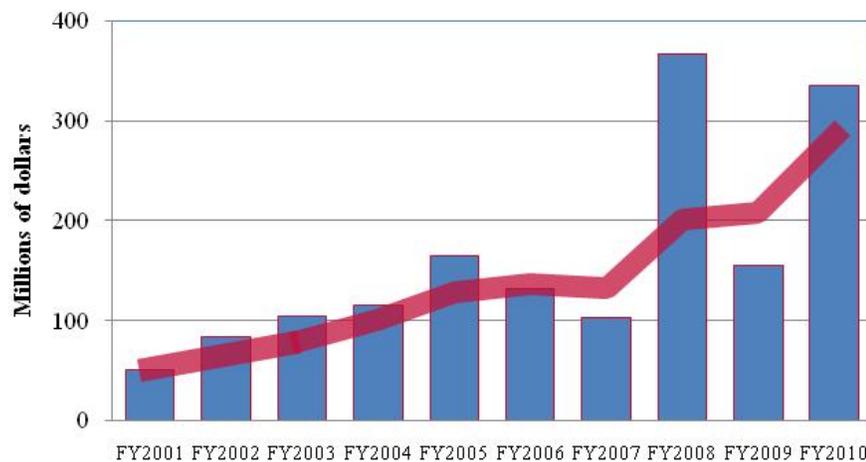
**Graph 4. USAID TCB Allocation FY2010 (\$511 million)**



**Trade-Related Agriculture Funding Throughout the Government Resumes Upward Trend**

Following a sharp downswing in FY2009, TCB funding for agricultural support resumed its upward trend in FY2010 and was again over \$300 million.

**Graph 5. USG Funding for Trade-Related Agriculture, FY2001-FY2010**  
RED LINE SHOWS TREND (THREE-YEAR MOVING AVERAGE)



Examples of these Trade-Related Agriculture TCB activities include: a component of the Alternative Development Program in Colombia which develops viable income alternatives by linking producer groups at the local and regional levels to national and international markets (\$7.7 million in FY2010); the Agribusiness and Trade Expansion Program (ATEP) in Ethiopia which stimulates market-led agribusinesses and cooperative linkages between markets (\$2.9 million in FY2010); and a component of the Growth with Equity in Mindanao-3 (GEM-3) Program which supports Mindanao producers in their market development efforts by increasing competitiveness through improvements in production, transport, and sales practices (\$1.7 million in FY2010). Increased funding for trade-related agriculture activities supports a wide range of U.S. Government objectives, including free trade agreements and initiatives such as Feed the Future.

**NOTES FOR GRAPH ON PAGE 2**  
**The regional graph uses six summary regions for TCB.**

<b>Region in snapshot graph</b>	<b>Includes these regions used in the TCB online database</b>
EE	Europe and Eurasia
Global	Global ns* APEC Secretariat
LAC	Latin America and Caribbean
ASI	East Asia and Oceania Southern Asia Asia ns ASEAN Secretariat
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:**

<b>Category in snapshot graphs</b>	<b>Includes these categories used in the TCB online database</b>	
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

**Where can I get TCB Data?**

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 its websites.

Full details on TCB funding for the years FY1999-FY2010 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](mailto:tcb@devtechsys.com) for more details.