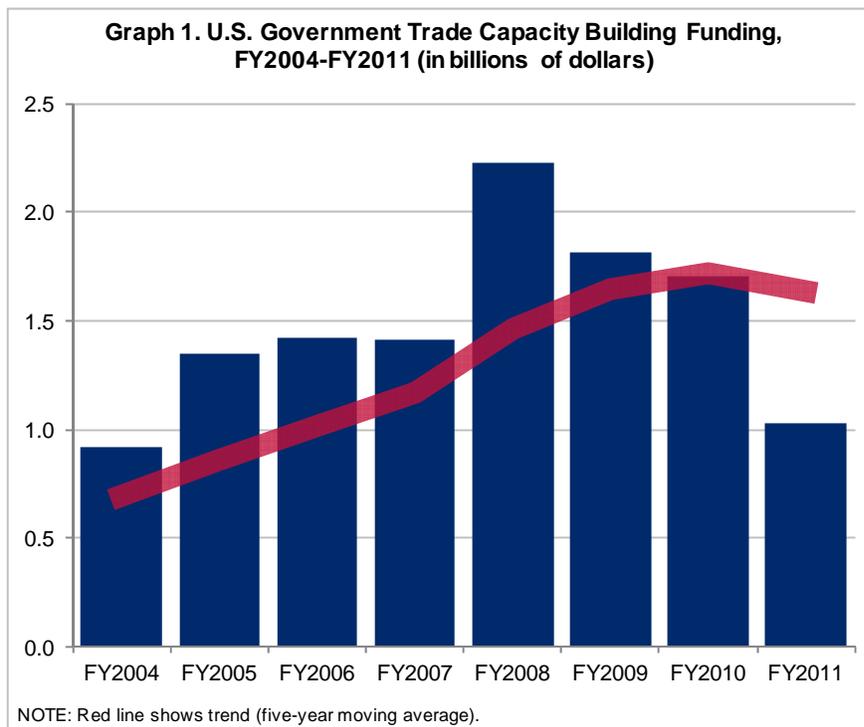


U.S. Government Funding for Trade Capacity Building Stays Above \$1 Billion for FY2011

Total U.S. Government Trade Capacity Building (TCB) assistance was \$1.03 billion in FY2011, down from a revised \$1.71 billion in FY2010. The FY2010 data included two large country compacts (Moldova and Senegal) with the Millennium Challenge Corporation (MCC), while the FY2011 data does not include any MCC compacts. For FY2011, the \$152 million rise in USAID TCB funding only partly offset the decline in MCC funding.

To analyze the underlying trend of the TCB funding data, a five-year moving average is used in Graph I. 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, therefore, 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 FY09 to FY11 where the funding is all FY09 money, the TCB Database would show funding for FY09 and none for FY10 and FY11.

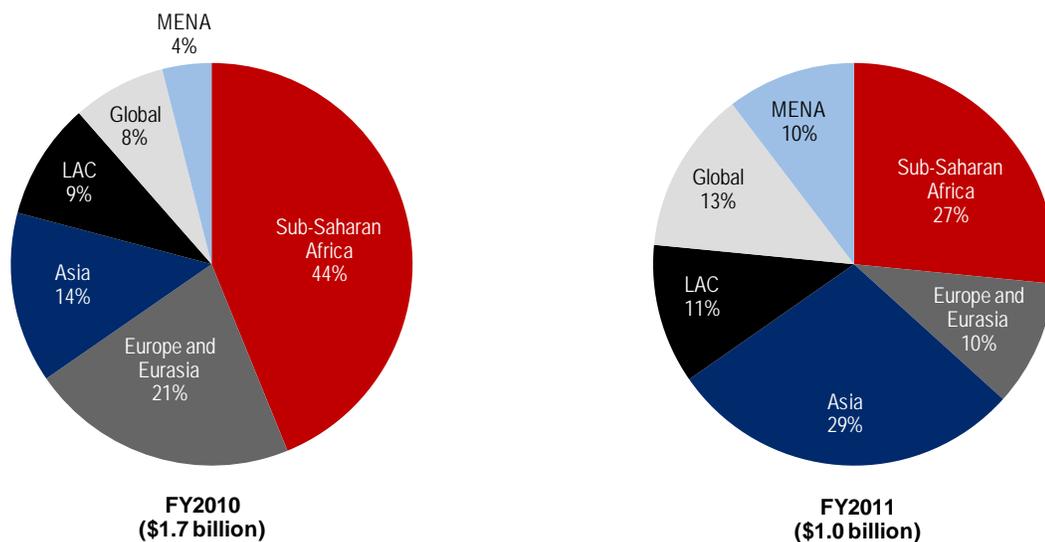


Regional Distribution of TCB Shifts Markedly in FY2011

For FY2011, the regional pattern of TCB shifted with both Sub-Saharan Africa and Europe and Eurasia losing relative shares. For Sub-Saharan Africa, its share of TCB fell from nearly one half in FY2010 to less than a third in FY2011. Meanwhile, the relative shares of the Asia region and the Middle East and North Africa region both more than doubled in FY2011. The relative share of Latin America and Caribbean increased only modestly.



Graph 2. Regional Distribution of TCB



See notes at end of snapshot for definitions of regions.

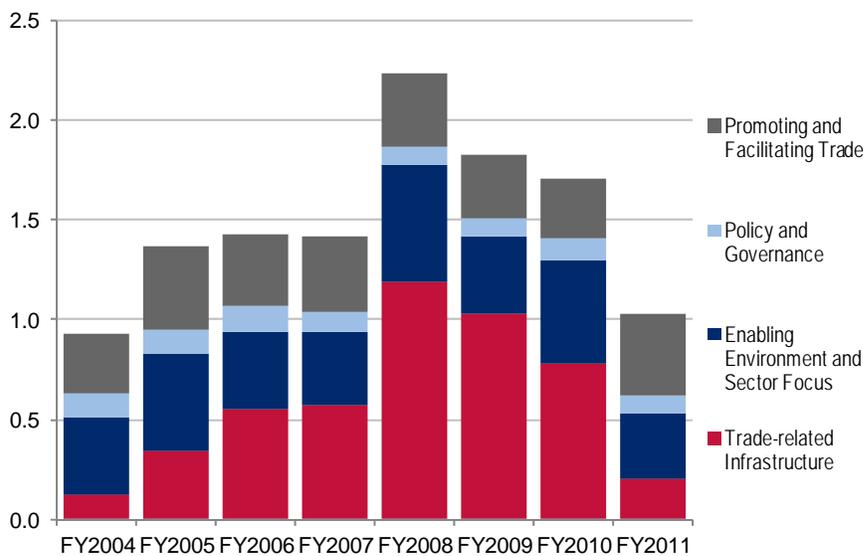
Infrastructure Funding Volatile; Other TCB Categories Relatively Stable

In FY2011, trade-related infrastructure funding remained the most volatile summary category. Infrastructure funding dropped to \$0.2 billion, from \$0.8 billion in FY2010. In both FY2008 and FY2009, infrastructure had exceeded a billion dollars as several large compacts funded by the Millennium Challenge Corporation included a focus on infrastructure.

The “Promoting and Facilitating Trade” summary category increased from \$0.3 billion in FY2010 to \$0.4 billion in FY2011. This summary category includes such activities as those in the TCB Database categories of Customs

Operations, Enterprise Development, and FTAs. A significant part of the increase in FY2011 is accounted for by a single TCB activity, the new Enterprise Development project in Pakistan being implemented by USAID/Pakistan (\$44 million in FY2011 funding). Another significant part of the increase is also implemented by the USAID mission in Pakistan. The Pakistan Trade Project assists the Government of Pakistan and works with the private sector in implementing the Afghan Pakistan Transit and Trade Agreement (\$22 million in FY2011 funding).

Graph 3. TCB Spending By Category (in billions of dollars)

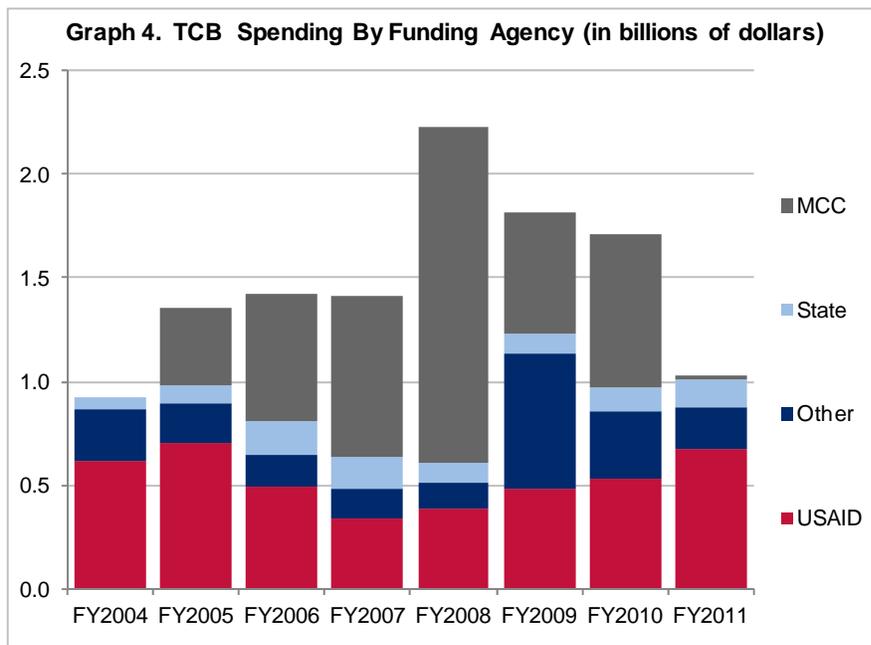


See notes at end of snapshot for definitions of TCB categories.

USAID Largest TCB Funder for FY2011

In recent years, the Millennium Challenge Corporation (MCC) had been the largest funder of TCB. In FY2011, USAID returned to the top rank as its TCB funding increased from \$0.5 billion in FY2010 to \$0.7 billion in FY2011. Very large increases in USAID TCB funding in Pakistan and Ethiopia more than offset notable declines in Colombia, Afghanistan, and Rwanda.

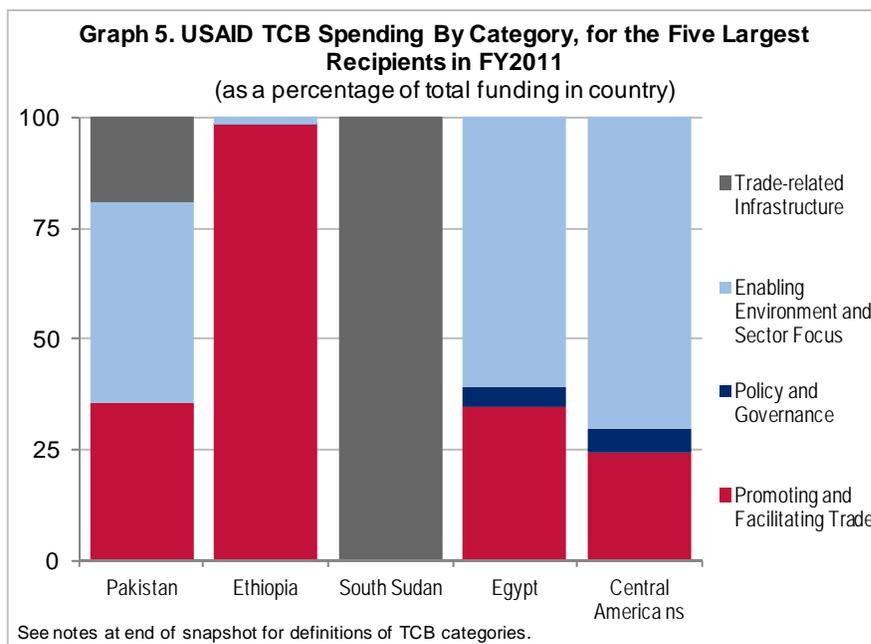
In Ethiopia, USAID’s SPS and Livestock Meat Marketing activity experienced a large scaling up of the activity in FY2011. The activity focuses on improving Ethiopian veterinary services to undertake Sanitary and Phyto-Sanitary (SPS) measures and related activities in support of increasing the competitive advantage of Ethiopia for increased livestock and meat exports.



Largest Recipients of USAID TCB Funds in FY2011 Differ in Program Focus

The country ranking for TCB funding level shifts each year. With respect to USAID funding, the top five countries or regions (regional programs with countries not specified) in FY2011 are Pakistan (\$201 million), Ethiopia (\$86 million), South Sudan (\$46 million), Egypt (\$24 million), and Central Americans (\$23 million).

The focus of each country or regional program differed markedly. In the South Sudan, all of the funding in FY2011 supports one TCB category: Trade-related Infrastructure. In Ethiopia, 98 percent of the funding is for one summary category: Promoting and Facilitating Trade. For the region-wide Central Americans region, 70 percent of the funds are in the summary category of Enabling Environment and Sector Focus. For Egypt,



61 percent of the funding is in Enabling Environment and Sector Focus, with nearly all the rest (35 percent) in Promoting and Facilitating Trade.

The FY2011 program in Pakistan has its own profile, when sorted by TCB categories. The largest summary category (Enabling Environment and Sector Focus) accounts for less than half of the total. Promoting and Facilitating Trade is just over one third and Trade-related Infrastructure is just under one fifth.

When sorted by more specific TCB categories, both Pakistan and Egypt share a focus on agriculture. Trade-related agriculture accounted for 45 percent of the FY2011 funding in Pakistan and 58 percent in Egypt.

Top Recipients of USAID TCB Funding Fluctuate Each Year

USAID support for TCB activities covers a wide range of countries and regional programs, with the largest recipients shifting around each year. The table shows the top ten countries or non-country specific regions each year since 2007. No country or region stayed in the top ten list each of the five years. Most only appeared in the top ranks once or twice.

Table 1. Top Ten Recipients of TCB Funding From USAID, FY2007–FY2011

FY2007	FY2008	FY2009	FY2010	FY2011
Afghanistan	Colombia	Sudan	South Sudan	Pakistan
Central America ns	Central America ns	Colombia	Colombia	Ethiopia
Egypt	Liberia	Sub Saharan Africa ns	Central America ns	South Sudan
Eastern and Central Africa ns	Dominican Republic	Liberia	Sub Saharan Africa ns	Egypt
Dominican Republic	Egypt	Afghanistan	Eastern and Central Africa ns	Central America ns
Western Africa ns	West Bank/Gaza	Eastern and Central Africa ns	Afghanistan	Eastern and Central Africa ns
Indonesia	Bolivia	Western Africa ns	Ethiopia	Sub Saharan Africa ns
El Salvador	Indonesia	Serbia	Rwanda	Global ns
Ukraine	Serbia	Ghana	Dominican Republic	Central and Eastern Europe ns
Guatemala	Sub Saharan Africa ns	Egypt	Western Africa ns	El Salvador

Four countries or regions that do make the top ranks in four of the years (shown in bold in the table) are: Central America ns, Egypt, Eastern and Central Africa ns, and Sub Saharan African ns. Three of those are non-country specific regional funding, further highlighting the shifting nature of USAID TCB funding.

The FY2011 data for USAID show a greater relative concentration of funding among the top ten recipients. Taking the total TCB funding to the top ten countries or regions as a percentage of the overall USAID total, the average for FY2007–FY2010 was 47 percent and the percentage each year did not fluctuate significantly. However, very large funding amounts to Pakistan and Ethiopia in FY2011 pushed this ratio up to 68 percent.

Notes for Graph 2: Definitions of Regions

Region in graph	Regions in TCB database
Europe and Eurasia	Europe and Eurasia
Global	<ul style="list-style-type: none"> Global ns (TCB funding that is not specifically allocated to one country or region is classified as "Global, not specified" or "Global ns" in the database) APEC Secretariat
Latin America and the Caribbean	Latin America and the Caribbean
Asia	<ul style="list-style-type: none"> East Asia and Oceania Southern Asia Asia ns ASEAN Secretariat
Middle East and North Africa	Middle East and North Africa
Sub-Saharan Africa	Sub-Saharan Africa

Notes for Graphs 3 and 5: Definitions of TCB Categories

Category in graph	Categories in TCB database
Promoting and Facilitating Trade	<ul style="list-style-type: none"> Customs Operations Trade Promotion Enterprise Development FTAs and Trade Integration Other Trade Capacity Building
Policy and Governance	<ul style="list-style-type: none"> WTO Accession and Compliance Sanitary and Phyto-Sanitary Measures (SPS) Technical Barriers to Trade (TBT) Intellectual Property Rights (IPR) Trade Related Procurement Competition Policy, Business Environment, and Governance
Enabling Environment and Sector Focus	<ul style="list-style-type: none"> Trade-related Labor Financial Sector Development Environmental Standards and Trade Trade-related Agriculture Trade-related Services
Trade-related Infrastructure	Trade-related Infrastructure

Additional Information

For questions or more information, please contact the author, Michael Shea, at mshea@devtechsys.com.

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. Full details on TCB funding for the years FY1999–FY2011 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.