

FAST FACTS

TRADE CAPACITY BUILDING (TCB)

USAID Economic
Analysis and Data
Services (EADS)

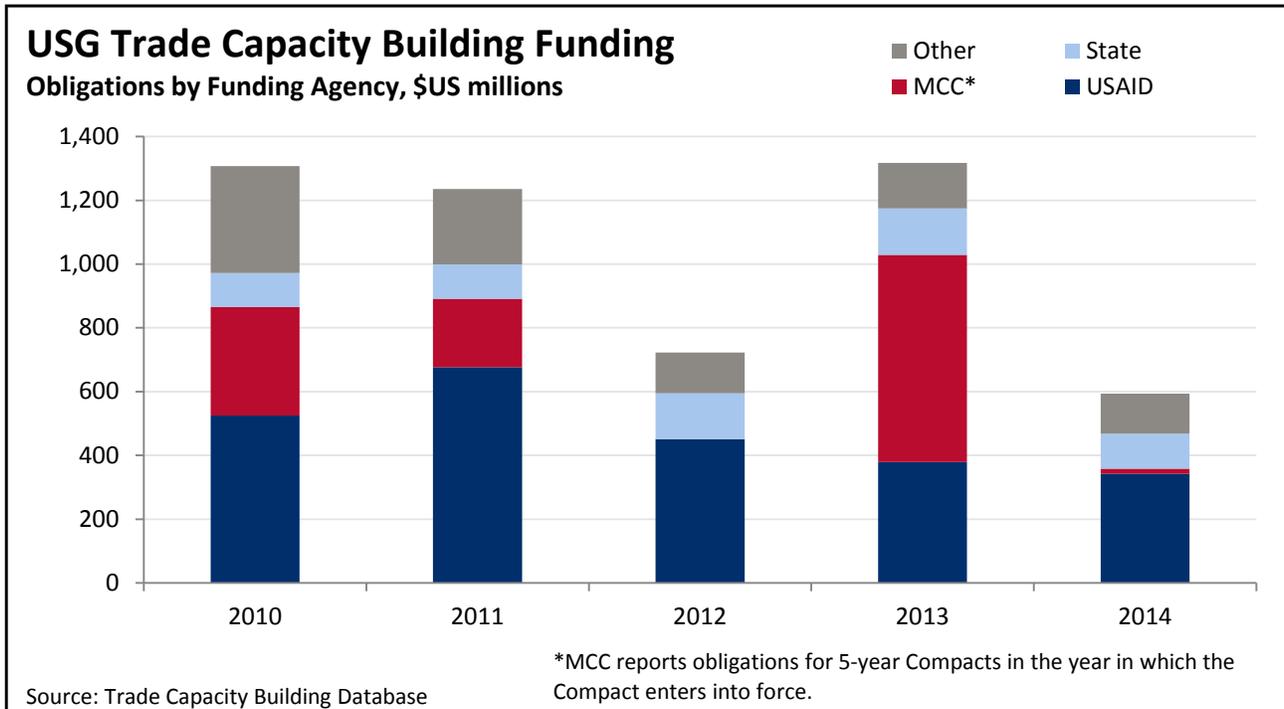
April 2016

FISCAL YEAR 2014 OVERVIEW

In FY2014, the U.S. Government (USG) obligated \$593.9 million to 443 trade capacity building (TCB) activities in 147 developing countries, geographic regions, and trade groups.

The largest funding agencies for TCB activities in FY2014 were USAID (\$342.5 million) and the Department of State (\$109.3 million). TCB funding from the Department of Agriculture rose 42 percent to \$10.9 million in FY2014. Among geographic regions, approximately half of U.S. Government TCB funding went to Sub-Saharan Africa (\$229.7 million) and South and Central Asia (\$62.7 million).

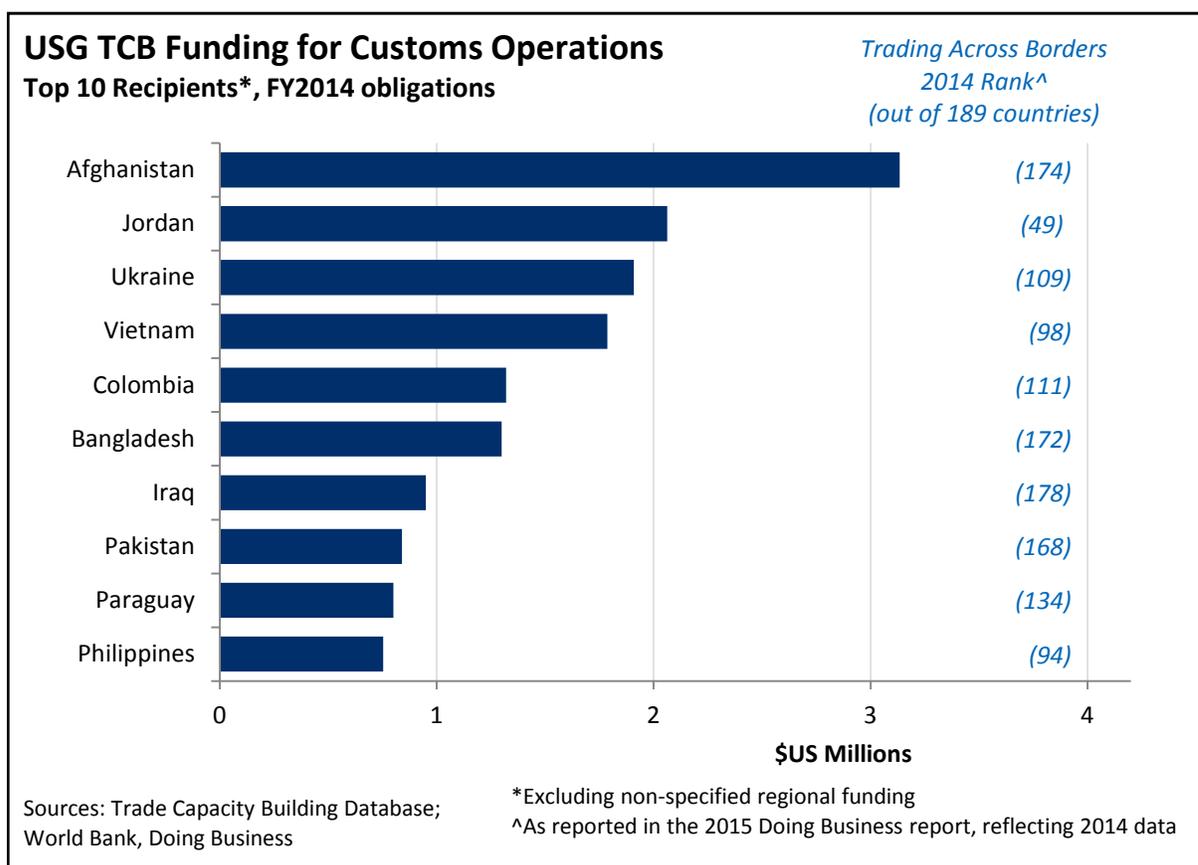
Total USG obligations to TCB activities in FY2014 are down more than 50% from FY2013 levels, but this decline is mostly the result of a reporting technicality that affects data from the Millennium Challenge Corporation (MCC). With funding for TCB at \$650.0 million, MCC was the largest USG funder of TCB activities in FY2013. This total includes obligations made to TCB components of MCC's large-scale Indonesia and Malawi Compacts. MCC reports all TCB obligations made for each country-specific five-year compact in the year in which the compact began. For example, the Malawi Compact went into effect in September 2013; therefore, all TCB obligations related to the Malawi Compact were reported in FY2013. MCC funding in FY2014 for a smaller-scale Georgia Compact was \$16 million.



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WORLD BANK DOING BUSINESS PERSPECTIVE

- The Trading Across Borders index, a component of the World Bank’s Doing Business index, ranks countries based on the costs to firms of exporting and importing in terms of money, time, and paperwork. The TCB funding category ‘Customs Operations’ is USG funding designed to improve and modernize customs procedures in developing countries, thereby reducing firms’ costs and facilitating trade. This assistance is targeted toward countries in the greatest need; nine of the top 10 recipients of USG assistance in the area of ‘Customs Operations’ in FY2014 were ranked in the bottom half of all countries in the Trading Across Borders index.
- In FY2014, \$54.3 million was obligated toward ‘Customs Operations’ activities, as defined in the TCB database. These activities include customs integration efforts through USAID’s African Trade Hubs, export control and border security assistance through the Department of State, and customs workshops through the Department of Commerce, as well as others.
- USAID’s Afghanistan Trade and Revenue Project (ATAR) includes a ‘Customs Operations’ component. ATAR promotes customs reforms, modernization, and streamlining, including the harmonization of customs procedures with other countries’ customs offices.



REGIONAL INTEGRATION & BUSINESS ENVIRONMENT

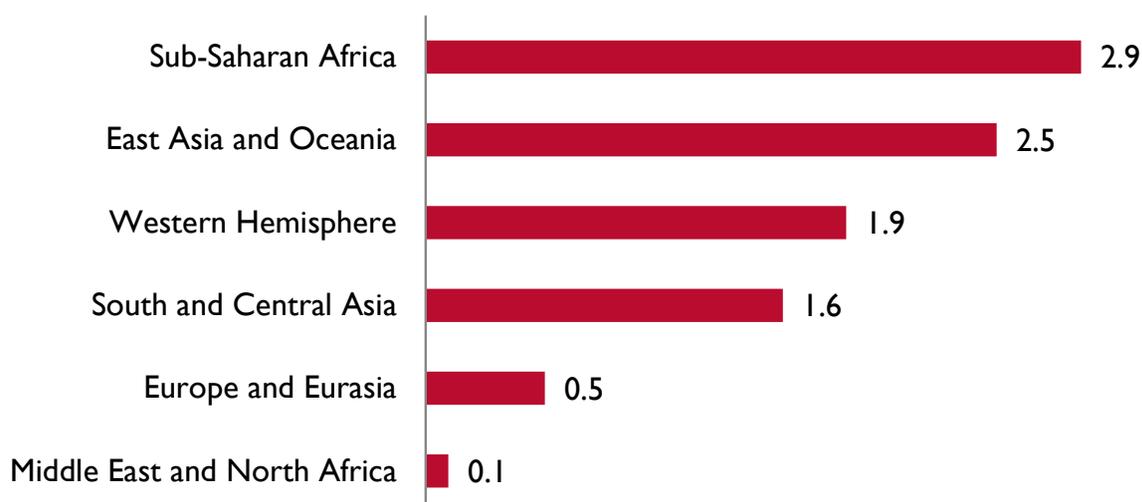
Regional Integration

The TCB database highlights activities that support regional integration and free trade agreements. In 2014, \$9.5 million of TCB funding was allocated to the 'Free Trade Agreements and Trade Integration' category. The largest regional recipients were Sub-Saharan Africa at \$2.9 million and East Asia and Oceania at \$2.5 million. Funding within Sub-Saharan Africa was directed to the Eastern and Central Africa Region and Zimbabwe, while funding to East Asia and Oceania assisted Indonesia, the Philippines, Vietnam and the Association of South-East Asian Nations (ASEAN).

Business Environment

The USG supports institutional reform and transparency efforts in developing countries to increase trade openness and create a trade-friendly business environment. TCB assistance under the 'Competition Policy, Business Environment, and Governance' category was \$69.4 million in FY2014. Europe and Eurasia and Sub-Saharan Africa were the largest recipients in 2014. Sub-Saharan Africa total funding in this category increased 317 percent since 2005, illuminating a strong USG focus on improving the business environment and governance.

USG Funding for 'Free Trade Agreements and Trade Integration' FY2014 obligations (\$US millions), by Region*



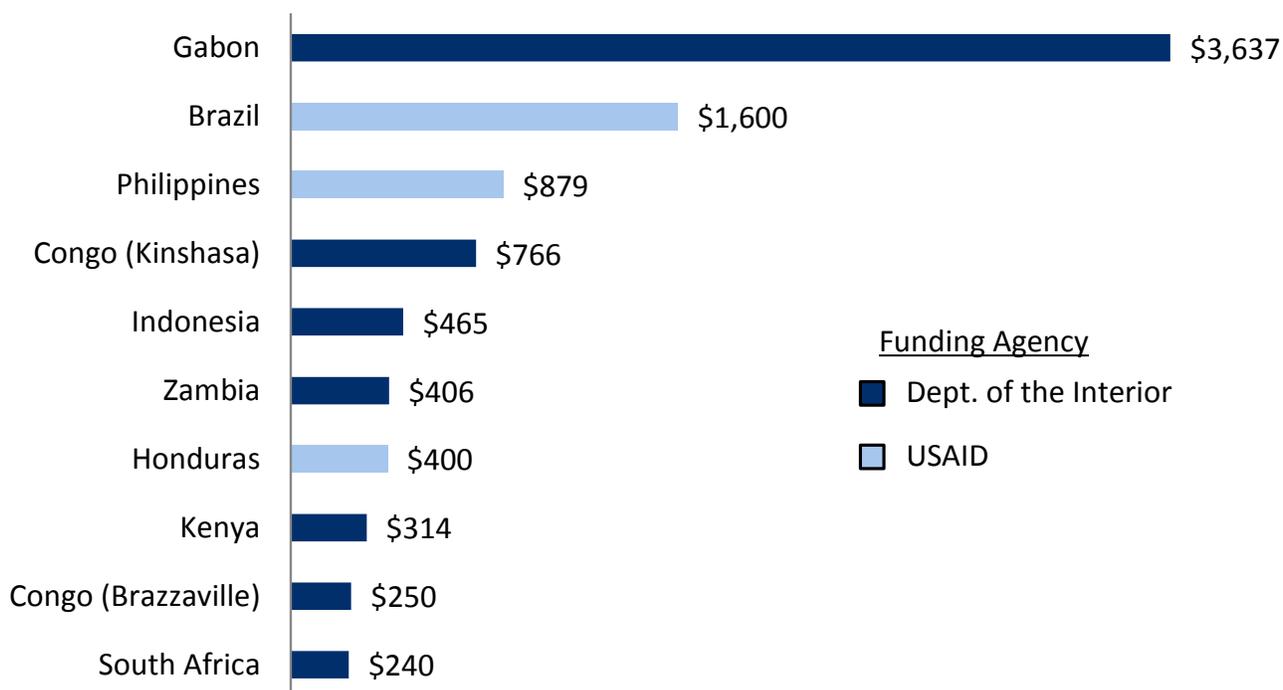
*Includes non-specified regional funding as well as bilateral country funding

Source: Trade Capacity Building Database

TRADE RELATED SERVICES AND TOURISM

- USG activities around TCB seek to facilitate the services trade in developing countries in addition to boost merchandise trade. Tourism is a key component of services trade in both developed and developing countries. According to a 2014 World Travel and Tourism Council report on the Americas, a strong relationship exists between investment in and demand for “Travel & Tourism”. Furthermore, the Americas lag behind the rest of the world in the necessary infrastructure. To highlight USG efforts in this area, the TCB Database breaks out funding to activities designed specifically to boost tourism.
- In FY2013 and FY2014, the two largest USG funders of TCB activities that seek to improve trade-related tourism efforts were USAID and the Department of the Interior. USAID initiatives include a partnership with the U.S. Forest Service and the Government of Brazil to increase public use of Amazonian national parks and other protected areas, as well as the ProParque activity in Honduras which seeks to boost growth through sustainable tourism, forestry, and agroforestry. The Department of the Interior’s Fish and Wildlife Service’s conservation and anti-wildlife-trafficking efforts in developing countries, notably Gabon, seek to constrain the illegal wildlife trade and build capacity for ecotourism in national parks and protected areas.

USG TCB Funding for Trade-related Tourism- Top 10 Recipients* FY2014 obligations, \$US thousands



Source: Trade Capacity Building Database

*Excluding non-specified regional funding