



USAID
FROM THE AMERICAN PEOPLE

OFFICE OF INSPECTOR GENERAL
for the Millennium Challenge Corporation

**SURVEY OF THE MILLENNIUM
CHALLENGE CORPORATION'S
TRADE CAPACITY BUILDING
PROGRAMS TO SUPPORT
IMPLEMENTATION OF FREE
TRADE AGREEMENTS**

SURVEY REPORT NO: M-000-07-001-S
December 1, 2006

WASHINGTON, DC



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*Office of Inspector General
for the
Millennium Challenge Corporation*

December 1, 2006

The Honorable John Danilovich
Chief Executive Officer
Millennium Challenge Corporation
875 Fifteenth Street, N.W.
Washington, DC 20005

Dear Ambassador Danilovich:

This letter transmits our final report on the subject survey. This is not an audit report and there are no recommendations for your action. In finalizing this report, we considered your comments on our draft report and have included them, in their entirety, in Appendix II of this report.

I want to express my appreciation for the cooperation and courtesy extended to my staff during the survey.

Sincerely,

/s/

John M. Phee
Assistant Inspector General
Millennium Challenge Corporation

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SUMMARY OF RESULTS

In response to a Congressional request, the Assistant Inspector General for the Millennium Challenge Corporation (MCC) conducted this survey to review MCC's trade capacity building programs. We designed the survey to determine: (1) whether MCC provided guidance to eligible countries regarding trade capacity building programs; (2) whether MCC's trade capacity building programs supported implementation of free trade agreements with its compact countries; (3) whether the 2006 National Export Strategy reflected MCC's current and planned trade capacity building accomplishments; and (4) the status of MCC's small business trade matchmaking efforts (see page 3).

MCC's mission focuses on promoting sustainable economic growth that reduces poverty through investments in areas such as agriculture, education, private sector development, and capacity building. While some of these areas could include components to enhance the country's capacity to trade, this is not MCC's mission. As a result, the survey concluded that MCC does not have a specific, identifiable trade capacity building program and therefore, did not provide guidance to eligible countries in regards to trade related activities (see page 4). Furthermore, MCC's programs do not directly support free trade agreements although the countries' proposed programs may complement established trade agreements (see page 5). In addition, the 2006 National Export Strategy report does not reflect MCC's current and planned trade capacity building accomplishments (see page 7). Finally, MCC does not have a small business trade matchmaking program but encourages the participation of small businesses in procurement ventures that will enable the small businesses to compete with larger firms on an even basis both in the U.S. and overseas (see page 7).

There are no findings or recommendations for MCC's actions in this report. In response to our draft report, MCC agreed with our results and conclusions in the survey.

Management comments are included in their entirety in Appendix II (see page 11).

BACKGROUND

The United States (U.S.) is the largest single-country provider of trade related assistance, and plans to more than double its contributions to global Aid for Trade.¹ Since 2001, the U.S. Congress has approved free trade agreements (FTAs) with 12 countries. Free trade agreements are enforceable contracts between two or more nations that reduce or remove barriers to trade and reciprocate preferential market access. The U.S. trade strategy is to pursue multiple market-opening initiatives on a global, regional, and bilateral basis that establishes models of success. Part of the strategy is to assist developing countries by implementing trade capacity building activities.

Trade capacity building (TCB) programs assist developing countries by building trade competitiveness, improving standards in traded goods, and improving customs procedures. U.S. trade capacity building activities are categorized as: physical infrastructure development, financial sector development and good governance, trade related agriculture, and business services and training. In order to track U.S. government trade capacity building related programs in developing countries, the U.S. Agency for International Development (USAID) began maintaining a U.S. government database, called the trade capacity building database (TCB database), in 2001.² USAID has updated the database since 2001 and uses the data to provide information to Congress, the Executive branch, as well as international organizations such as the World Trade Organization (see Appendix IV).

The Millennium Challenge Corporation's (MCC) mission focuses on promoting sustainable economic growth that reduces poverty through investments in areas such as agriculture, education, private sector development, and capacity building. In this vein, MCC provides monetary assistance—through compact agreements and threshold agreements—to eligible countries that have developed well-designed programs. These programs are developed by the country in consultation with the country's citizens. While some of the country's proposed programs may include components to enhance the country's capacity to trade, MCC does not have a specific trade capacity building program or require such programs of the countries with which it works.

During 2005, MCC reported, in the TCB database, \$368.9 million³ as the amount of funding for TCB-related activities for three countries; namely, Madagascar, Honduras and Nicaragua (see Appendix III). These activities were primarily related to infrastructure and agriculture projects.

¹Aid for Trade refers to the provision of assistance by the international community to help countries address supply side constraints to their participation in international markets and to cope with transitional adjustment costs from liberation.

²USAID is responsible for maintaining this database and disseminates annual reporting guidance, called *The Online Survey User's Guide*, to the participating U.S. Government agencies. The database is located at <http://quesdb.usaid.gov/tcb/index.html>.

³This data is unaudited.

SURVEY OBJECTIVES

The Assistant Inspector General for the Millennium Challenge Corporation conducted this survey in response to a Congressional request. The survey was designed to answer the following questions:

- Did the Millennium Challenge Corporation provide guidance to the field and host countries regarding the reforms to be addressed in its trade capacity building programs?
- Did the Millennium Challenge Corporation's trade capacity building programs support implementation of free trade agreements with developing countries?
- Did the 2006 National Export Strategy reflect the Millennium Challenge Corporation's current and planned trade capacity building accomplishments?
- What is the status of the Millennium Challenge Corporation's small business trade matchmaking efforts?

SURVEY RESULTS

Did the Millennium Challenge Corporation provide guidance to the field and host countries regarding the reforms to be addressed in its trade capacity building programs?

The Millennium Challenge Corporation (MCC) does not provide guidance to eligible countries regarding reforms to be addressed in trade capacity building (TCB) programs. MCC promotes country ownership, which means the country is responsible for defining and implementing the programs. As a result, MCC does not impose any projects, including trade related activities, on the country. Countries such as Nicaragua, Honduras, and Madagascar may propose projects such as infrastructure and agriculture development, which may enhance the country's ability to trade. When this occurs, and as with other projects, MCC discusses the trade related projects with the country and may provide advice to the country regarding ways to improve the program. Furthermore, if MCC finds constraints to the proposed projects, it may develop conditions in the country's compact, which will require the country to address those constraints before moving forward with implementing the project. For example, before signing a compact with Nicaragua, both MCC and the Nicaraguan government found several barriers to the proposed project, such as the country's sanitary standards and seed imports which can be considered as barriers to trade. MCC then included the resolution to these constraints as conditions precedent⁴ in the compact.

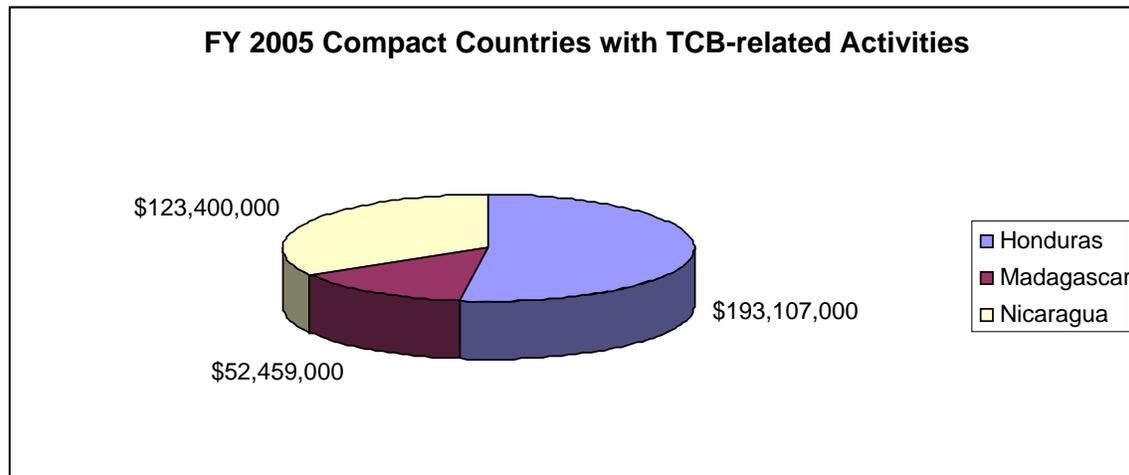
MCC officials stated that in identifying its TCB-related activities in a compact country, they employed the use of the TCB Users' Guide⁵ and matched projects in the compact to the TCB categories in the guidance. In fiscal year 2005, MCC identified TCB-related activities in three compact countries—Honduras, Madagascar, and Nicaragua—totaling \$368.9 million (see figure 1). In Madagascar, the agricultural business investment project fits under the TCB categories of business services and training, other trade facility, and trade related agriculture. Similarly in Honduras, the transportation project fits under the TCB category for physical infrastructure and one of Nicaragua's proposed projects—rural business development—fits under the TCB category for business service training and trade related agriculture (see Appendix IV for definitions of TCB categories). Furthermore, in fiscal year 2006, MCC obligated a total of \$594.5 million for TCB-related activities, to five compact countries—Cape Verde, Benin, Vanuatu, Armenia, and Georgia.⁶

⁴Conditions that the country must resolve before receiving disbursements from MCC and implementing the compact projects.

⁵The FY 2006 Users' Guide lists reportable (and non reportable) activities that can be included in the TCB database.

⁶This 2006 information is unaudited and based on preliminary data from the U.S. Government's TCB database. As of the date of this report, MCC's 2006 total reported funding for TCB activities was not available.

Figure 1



MCC also works with the United States Trade Representative (USTR)—who is a member of the MCC’s board of directors—whose goal is to increase trade between the U.S. and other countries. While the USTR does not provide guidance to MCC on promoting TCB activities in the countries, the USTR does provide its expert knowledge to enhance the programs. When MCC reviews a country’s proposal that contains TCB-related activities, it shares the proposals with the USTR in order to get input or advice on what the country should do to enhance the proposed trade-related projects for increased sustainability and economic growth. Additionally, MCC was also invited to several meetings that the Trade Promotion Coordinating Committee (TPCC) held, however, TPCC does not provide any guidance on trade capacity building to MCC.⁷

Did Millennium Challenge Corporation’s trade capacity building programs support implementation of free trade agreements with developing countries?

The Millennium Challenge Corporation’s trade capacity building (TCB) related programs do not directly support the implementation of free trade agreements; however, some countries’ proposed projects complement the countries’ implementation of established free trade agreements.

In 2004, the U.S. signed the Dominican Republic-Central America Free Trade Agreement (DR-CAFTA) with the Dominican Republic and five Central American countries, to encourage trade liberalization.⁸ Of the six countries, MCC has committed to provide assistance funding to two—Nicaragua and Honduras. According to MCC, TCB-related programs in both countries, such as transportation projects complement what DR-CAFTA is trying to achieve.

⁷The TPCC is an interagency group chaired by the U.S. Secretary of Commerce established to coordinate the export promotion and financing activities of the U.S. Government.

⁸DR-CAFTA is a regional multilateral FTA between the governments of the U.S. and Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua.

In Honduras, MCC has committed to provide approximately \$193 million in compact assistance funds for a rural development project and a transportation project. The goal of the rural development project is to increase productivity and improve competitiveness of small and medium-sized farmers. This project includes farmer training and development activities in production and marketing of high value horticulture crops, access to credit, construction and improvement of feeder roads, and provision of grant funds for agricultural projects. For the rural development project, MCC allocated \$14 million, which falls under the financial sector development and good governance TCB category, \$21 million, which falls under the physical infrastructure development category, and \$35 million, which falls under the trade-related agriculture category (see Table 1).

The transportation project seeks to improve Honduras' highway system. MCC funding will finance the upgrade of key secondary routes to improve the access of rural communities to markets. The poor condition of the roads currently undermines the competitiveness of producers by causing high costs in vehicle operation, maintenance and spoilage of produce. MCC officials confirmed that, according to the TCB *Online Survey User's Guide*, the transportation project aligns well with developing necessary infrastructure for trade. However, it is difficult to determine if the rural development project is a trade related activity because there are no specific requirements that the farmers have to export their products, although some of them may.

TABLE 1: Millennium Challenge Corporation (MCC) Funding by TCB Categories for Honduras

TCB Categories	FY 2005
Financial Sector Dev. & Good Governance <i>(Activities include Rural Development Project)</i>	\$14,137,200
Trade-Related Agriculture <i>(Activities include Rural Business Development Project)</i>	\$35,343,000
Physical Infrastructure Development <i>(Activities include Rural Development Project)</i>	\$21,205,800
Physical Infrastructure Development <i>(Activities include Transportation Project)</i>	\$122,421,000
TOTAL FUNDING	\$193,107,000

In Nicaragua, MCC has committed compact assistance funds of approximately \$123 million for a transportation project and a rural business development project. MCC will allocate \$92.8 million from the compact for the transportation project, which will support the improvement of roads linking producers and consumers to Honduras and El Salvador as well as urban centers in Nicaragua. According to MCC, this project complements economic growth strategies such as the DR-CAFTA and supports TCB-related activities under the physical infrastructure development TCB category. In addition, MCC will fund the rural business development project, which will, among other things, enable the country to produce high-value goods and establish a Rural Business Development Center. Furthermore, MCC officials stated that the rural development project complements the TCB activities as described in the TCB guidelines. As part of this project, \$17 million falls under the business services & training TCB category and \$13 million under the trade-related agriculture category (see Table 2).

TABLE 2: Millennium Challenge Corporation (MCC) Funding by TCB Categories for Nicaragua

TCB Categories	FY 2005
Trade-Related Agriculture (<i>Activities include Rural Business Development Project</i>)	\$13,158,000
Business Services & Training (<i>Activities include Rural Business Development Project</i>)	\$17,442,000
Physical Infrastructure Development (<i>Activities include Transportation Project</i>)	\$92,800,000
TOTAL TCB	\$123,400,000

Did the 2006 National Export Strategy report reflect Millennium Challenge Corporation’s current and planned Trade Capacity Building accomplishments?

The 2006 National Export Strategy (NES) report does not reflect MCC’s planned trade capacity building accomplishments, but reports on MCC’s current TCB activities from fiscal year 2005.⁹ Although MCC did not report its current and planned TCB accomplishments to the Trade Promotion Coordinating Committee (TPCC)—an interagency group that prepares the report—TPCC incorporated 2005 data that MCC reported in the TCB database. MCC annually submits data to this database on compact agreements it has signed with countries over the past fiscal year. Furthermore, MCC officials stated that because the projects are designed by the country, MCC cannot report on planned TCB-related activities because these activities are driven by the eligible countries and are not known until the compact is signed.

The NES report also provides information on MCC’s coordination with other U.S. governmental agencies such as the Overseas Private Investment Committee (OPIC) and the Office of the United States Trade Representative (USTR) and various private sector corporations.

What is the status of Millennium Challenge Corporation’s small business trade matchmaking efforts?

The Millennium Challenge Corporation (MCC) does not have a formal small business trade matchmaking¹⁰ program, it does however, involve small businesses in contracting ventures both domestically and internationally, by ensuring that small businesses can compete with larger businesses for MCC contracts. MCC has established small business goals for domestic contracts and reports annually to the Small Business Administration on achieving those goals. According to MCC officials, in fiscal year 2006,

⁹The NES is a mandated annual report prepared by the Trade Promotion Coordinating Committee (TPCC) and submitted to Congress. The TPCC issued the 2006 NES report in June 2006 and reported on fiscal year 2005 data.

¹⁰ From 1996 to 2004, USAID funded the Global Trade and Technology Network (GTN), an internet-based database that created alliances (“matchmaking”) between U.S. and host country businesses.

MCC set and achieved its small business goal of 23 percent of its contracts awarded to small businesses in the U.S. For contracts awarded outside the U.S., the Federal Acquisition Regulation (FAR), Part 19, exempts MCC from setting small business goals if the performance is outside the U.S.; however, MCC continues to provide small businesses with the opportunity to compete with larger firms. For example, MCC developed procurement guidelines to ensure that compact countries do not exclude U.S. small businesses from competing for contracts. In addition, because most small businesses may not be able to afford to pay to access these notices, MCC provides free access to its advertisements on several websites, including Development Gateway Marketplace which can be accessed easily through links posted on the MCC website.

EVALUATION OF MANAGEMENT COMMENTS

MCC provided written comments to our draft report that are included in their entirety as Appendix II. Overall, MCC management concurred with the results and conclusions of our survey and provided additional clarifications on certain areas as identified below.

In response to the first survey objective, MCC agreed with the report and stated that it does not proactively encourage or instruct eligible countries to propose assistance in trade capacity building. However, MCC does welcome proposals that include trade capacity building assistance and work closely with eligible countries to fund these types of projects. MCC also stated that it has obligated \$963 million for trade capacity building activities in its first eight compacts, representing over 63 percent of the total amounts obligated for these compacts.

In response to the second survey objective, MCC agreed that it does not provide narrowly-focused technical assistance to help its partner countries. However, MCC's assistance to Honduras and Nicaragua will enable these countries to utilize the Dominican Republic-Central American Free Trade Agreement (DR-CAFTA) by providing funding for infrastructure and agricultural development activities.

In response to the third survey objective, MCC stated that it coordinates closely with other agencies that provide trade capacity building assistance, such as the U.S. Trade Representative and the Administrator of the U.S. Agency for International Development, who sit on the MCC Board. In addition, MCC has met with other members of the Trade Promotion Coordinating Committee (TPCC), including the Export-Import Bank and the Overseas Private Investment Corporation (OPIC) to discuss ways they could support their respective missions.

In response to the fourth objective, MCC stated that it does not have a specific small business trade matchmaking program, but in fiscal year 2006, it has achieved its goal of awarding small businesses 23 percent of contracts awarded in the U.S. In addition, for contracts awarded overseas, MCC ensures that both U.S. and foreign small businesses have an equal opportunity to compete with larger firms by requiring partner countries to use fully open and competitive procurement practices, and by providing access to all MCC advertisements on several websites, including Development Gateway Marketplace.

SCOPE AND METHODOLOGY

Scope

The Assistant Inspector General for the Millennium Challenge Corporation (AIG/MCC) conducted this survey to fully comply with the generally accepted government auditing standards. However, as this survey was not an audit, auditing standards relative to such matters as evidence and reporting were not applied to this survey. For example, because this was a survey engagement with a quick turn-around timeframe, we did not design the survey to gather the same level of evidential data as we would with an audit.

OIG/MCC conducted the survey in the Washington, DC, Nicaragua and Honduras. We used the trade capacity building (TCB) database to determine our scope and the countries to review. Although MCC reported information in the TCB database for three compact countries, we selected two countries—Honduras and Nicaragua—that have a bilateral trade agreement with the U.S. Our survey sample for these two countries represented \$316.5 million or 86 percent of the \$368.9 million reported in the TCB database. The survey fieldwork was conducted from October 6, 2006 to October 30, 2006.

Due to the presidential election in Nicaragua, we were unable to meet with contractors involved in implementing MCC's projects in the country. However, this did not adversely impact the outcome of the survey.

Methodology

To answer the first objective, we conducted interviews with officials at the U.S. Trade Representative (USTR), the Secretariat of the Trade Promotion Coordinating Committee (TPCC), and MCC. In addition, we reviewed related documents to determine whether MCC developed and communicated trade reform guidance to its offices in Compact countries.

To answer the second objective, we conducted a site visit to Honduras and Nicaragua, interviewed MCC and U.S. Embassy officials, and reviewed related documents.

To answer the third objective, we conducted meetings with MCC and TPCC officials, and reviewed related documents, such as the 2006 National Export Strategy report.

To answer the fourth objective, we reviewed MCC's small business matchmaking trade activities as of September 30, 2006. In addition, we conducted interviews with MCC, USTR, and TPCC officials. We also reviewed related documents pertaining to MCC's small business goals.

We did not determine materiality thresholds for our survey objectives, as they were not appropriate to this survey.

MANAGEMENT COMMENTS



**MILLENNIUM
CHALLENGE
CORPORATION**
REDUCING POVERTY THROUGH GROWTH

MEMORANDUM

November 29, 2006

TO: John Phee
Assistance Inspector General for the Millennium Challenge Corporation

FROM: Mike Casella /s/
Deputy Vice President for Administration and Finance

SUBJECT: MCC Management Comments on Trade Capacity Building Survey

The MCC appreciates the opportunity to respond to the text and results of the survey. The MCC agrees with the substantive results and conclusions of the survey of MCC trade capacity building activities conducted by the Inspector General.

- As the report states, MCC does not proactively encourage or instruct countries that are eligible for MCC compact assistance to propose such assistance in any sector or area, including trade capacity building. However, MCC welcomes proposals for trade capacity building assistance and works closely with eligible countries to fund their proposals for trade capacity building assistance. As a result, we have obligated \$963 million obligated for trade capacity building activities in our first eight compacts, over 63 percent of the total amounts obligated for these compacts.
- MCC does not provide narrowly-focused technical assistance to help our partner countries implement free trade agreements. However, as the report correctly states, MCC assistance to Honduras and Nicaragua will help these countries take advantage of the private sector growth opportunities provided by the Dominican Republic-Central American Free Trade Agreement (DR-CAFTA) by funding infrastructure and agricultural development activities. Our compact with El Salvador, which we will sign in the near future, will provide similar trade capacity building benefits to that country.
- As the report notes, we coordinate closely with other agencies that provide trade capacity building assistance. The U.S. Trade Representative sits on the MCC Board, as does the Administrator of the U.S. Agency for International

Development. MCC has also met with other members of the Trade Promotion Coordinating Committee (TPCC), including the Export-Import Bank and the Overseas Private Investment Corporation, to discuss how we can work cooperatively to support our respective missions.

- While MCC does not have a specific small business trade matchmaking program, the report correctly notes that in fiscal year 2006, MCC set and achieved a goal of awarding to small businesses 23 percent of contracts awarded in the United States. For contracts awarded outside of the U.S., MCC ensures that both U.S. and foreign small businesses have an equal opportunity to compete with larger firms by requiring our partner countries to use fully open and competitive procurement practices, and by providing access to all MCC advertisements on several websites, including the Development Gateway Marketplace.

Supplemental Table

TABLE 1: Millennium Challenge Corporation (MCC) Compact Countries with TCB Activities

MCC Compact Countries with TCB-related Activities	FY 2005
Honduras	\$193,107,000
Madagascar	52,459,000
Nicaragua	123,400,000
TOTAL TCB	\$368,966,000

U.S. Government Trade Capacity Building Categories and Definitions¹¹

Types of activities that MCC should report as “trade capacity building”

- Negotiating regional trade agreements
- Eliminating subsidies or price controls in the trade sector
- Improving trade statistics
- Encouraging business support services for exporting and importing companies
- Developing business information for export and import markets
- Drafting commercial codes
- Implementing antimonopoly policies
- Designing consumer protection policies
- Reforming government procurement
- Improving sanitary/phytosanitary standards in traded goods
- Promoting technology transfer to enhance trade
- Removing technical barriers to trade
- Applying rules of origin for trading purposes
- Improving customs procedures
- Developing a competitive workforce
- Encouraging trade finance
- Developing the financial sector
- Achieving sound fiscal, monetary, and exchange rate policies
- Developing necessary infrastructure for trade
- Designing environmental standards and technology
- Promoting investment agreements and investment protection mechanisms

Types of Activities that MCC should Not Report as “Trade Capacity Building”

- Support to microfinance or micro enterprise institutions, *unless* it is specifically to promote the export of traditional handicrafts and other goods
- General activities to increase agricultural productivity, *unless* it is specifically to promote the export of particular agricultural products
- Technical assistance provided by a USG agency or unit *but* funded by the host country government or by a multilateral donor institution
- Privatization activities, *unless* they affect enterprises in the trading sector or increase the availability of trade finance
- Support to the development of natural resources, *unless* it is expected to foster cross border exchange of those resources
- Assistance going directly to an economic country group that includes at least some non-developing country members, *e.g.*, apec, *unless* it is aimed at only the developing country members
- Support for energy sector policy and institutional reform, *unless* it is expected to expand export capacity either directly or indirectly
- Support for improving governance and transparency at the local level of government
- An activity designed to improve the effectiveness of a USG program itself, *e.g.*, the appointment of senior advisors to facilitate decisions on program funding
- Support for national parks and conservation, *unless* it is designed specifically to attract foreign tourism trade
- Education activities, *unless* they are specifically designed to improve trade-related skills or knowledge of trade policy issues, *e.g.*, introduction of international

¹¹ Source: *The Online Survey User’s Guide*

- Accounting standards or World Trade Organization(WTO) rules workshops
- Child survival activities
- Civil society activities, *unless* they are specifically designed to increase citizen
- Participation in trade policymaking

Trade Capacity Building Category Definitions

Trade Facilitation has six components:

- **Customs Operation & Administration** is assistance to help countries modernize and improve their customs offices.
- **E-commerce Development & Information Technologies** is assistance to help countries acquire and use IT to promote trade by creating business networks and disseminating market information.
- **Export Promotion** is assistance to increase market opportunities for developing country producers.
- **Business Services & Training** are support to improve the associations and networks in the business sector, as well as to enhance the skills of business people engaged in trade.
- **Regional Trade Agreement (RTA) Capacity Building** represents assistance to an RTA or to an individual country that increases the ability of the RTA to facilitate trade. It can also include assistance to a potential member of an RTA that improves the analytical capacity of the country's government with respect to RTA issues. It is *not* intended to include TCB assistance in a specific area that is being provided under the auspices of an RTA. For example, technical assistance to help COMESA facilitate trade among its member countries would be included in this component. However, technical assistance to help COMESA member countries comply with SPS standards should be reported on the lines for Trade-Related Agricultural Development or the WTO Agreement on Sanitary & Phyto-Sanitary Standards.
- **Other Trade Facilitation** includes support to increase trade flows that is not categorized in one of the other five categories.

Human Resources & Labor Standards: Support of labor standards, worker rights, trade unions, workforce development, business education, and the social aspects of liberalization.

Physical & Economic Infrastructure: Assistance to establish trade-related telecoms, transport, ports, airports, power, water, and industrial zones.

Trade-related Agricultural Development: Includes support for trade-related aspects of the agriculture and agribusiness sector. Support that is intended to help countries participate in the WTO Agreements on Agriculture or SPS should not be included.

Environmental Sector Trade & Standards: Includes assistance to establish environmental standard or to promote environmental technology.

Governance/ Transparency & Interagency Coordination: Includes support for institutional reform to improve governance and make policies more transparent, as well as assistance to help the different agencies of a host country government function more effectively in the trade policy arena.

Financial Sector Development & Good Governance: Includes financial sector work, monetary and fiscal policy, exchange rates, commodity markets, and capital markets.

Competition Policy & Foreign Investment Incentives: Support for the design and implementation of antitrust laws, as well as laws and regulations related to investment and investor protections.

Services Trade Development: Includes all service industry sectors and two sub-components are specified – Tourism Sector Development and Other Services Development.

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