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FROM THE AMERICAN PEOPLE

BUREAU FOR ECONOMIC GROWTH, AGRICULTURE, AND TRADE (EGAT)

U.S. FOREIGN ASSISTANCE PERFORMANCE PUBLICATION Fiscal Year 2009

FY 2009 FOREIGN ASSISTANCE GOALS

In FY 2009, the global financial crisis and persistent food security challenges threatened the development progress and security of many developing and transition countries. Concerns intensified over the impacts of global climate change and the ability of countries to adapt to climate variability. The U.S. Agency for International Development (USAID)'s Bureau for Economic Growth, Agriculture, and Trade (EGAT) played a key role in the United States Government (USG)'s international response and USAID country and regional programs to address these challenges.

Most of EGAT's programs support two objectives in the USG's foreign assistance framework: Economic Growth and Investing in People. In FY 2009, EGAT's Economic Growth activities helped USAID design and implement programs to improve economic policy and governance; boost trade and investment; improve private sector competitiveness; reduce poverty; improve physical, financial, and legal infrastructure; promote agricultural and rural development; and improve natural resources management. EGAT supported Investing in People programs to improve access to quality education, increase literacy, and expand access to safe drinking water and sanitation.

EGAT also provided targeted support to activities aimed at achieving the foreign assistance objectives of Peace and Security and Governing Justly and Democratically, especially as they relate to women's roles in conflict resolution and governance. The Bureau undertook initiatives that worked across all foreign assistance objectives to promote gender equity, address climate change, and leverage private sector financing using partial credit guarantees (Development Credit Authority). USAID extended 19 partial guarantees in FY 2009, leveraging up to \$316 million at a cost of \$8.8 million to the USG.

Programs discussed in this publication are funded through the U.S. Agency for International Development. The Department of State does not provide assistance to EGAT.

HIGHLIGHTS BY PROGRAM OBJECTIVE

Economic Growth

In FY 2009, EGAT helped to launch the USG's \$255 million financial crisis supplemental fund that is assisting in alleviating the crisis impact in roughly a dozen countries. The Bureau reported on the effects of the financial crisis across 30 vulnerable, USAID-assisted countries, providing biweekly updates to U.S. agencies. EGAT provided technical support for customs operations in Panama, and helped missions in Liberia, Lebanon, Afghanistan, Zambia, and Kosovo develop and implement new trade capacity building initiatives and participate in World Trade Organization agreements. Such programs help countries benefit from the rule-based trading system and address trade barriers with their neighbors.

To promote better business climates, EGAT completed in-depth analyses of the agribusiness-enabling environment in Senegal, Nigeria, and Ghana with recommendations for improving agribusiness, analyzed the business enabling environment in the health sector in the Philippines, and supported the World Bank's Doing Business Reform Unit, which helped 21 countries to improve their business environments in FY 2009, leading to more than 50 reforms.

EGAT helped poor populations weather the financial crisis in FY 2009 through efforts focused on improving the enabling environment for microenterprises; enhancing access to markets, finance, business services, and skills; and protecting assets that safeguard against poverty. In particular, EGAT:

- Assisted 15 microfinance institutions serving 637,125 clients and provided business development services to 62,082 microenterprises
- Launched a credit guarantee program with the Grameen Foundation that makes credit available to microfinance institutions (MFIs) at a time when commercial credit is scarce. The program is expected to result in up to \$162.5 million in lending to MFIs over a 12-year period.
- Conducted comprehensive studies of value chains for rice in two African countries, and of coffee and horticulture in Tanzania, to promote increased incomes for rural smallholder families in these countries. Other efforts included child savings accounts in West Africa, crop insurance in Mali, and an analysis of the impact of the credit crisis on microfinance institutions.

EGAT also helped to shape the USG-wide response to growing food insecurity in the developing world and to design and implement activities to address the long-term causes of hunger. In FY 2009, EGAT funded research to identify food-security focus countries; helped develop a USG-wide food security strategy; and developed detailed guidance to missions on how to develop food security implementation plans. Further, EGAT led a food security assessment in Bangladesh that will serve as a model for future assessments to link non-emergency humanitarian assistance and development programming.

EGAT funds a substantial applied research program by U.S. universities and international agricultural research centers working with developing country counterparts to improve food availability and market access. Two scientists associated with USAID-funded research won global

recognition for their work in 2009: Elinor Ostrom, a recipient of the 2009 Nobel Prize in Economics, is currently a principal investigator on a Collaborative Research Support Program effort to examine how alternative forest management policies and governance in developing countries affect livelihoods of local forest users and protect the forest; and Dr. Gebisa Ejeta, winner of the 2009 World Food Prize, was honored principally for work funded by the EGAT-supported Sorghum, Millet, and Other Grains Collaborative Research Support Program. Dr. Ejeta is credited with successfully developing drought and parasitic weed-resistant sorghum varieties. These improved varieties are widely grown in East and West Africa, yield three to four times more than local varieties, and have enhanced the food supply of hundreds of millions of people in sub-Saharan Africa.

EGAT-supported research developments in 2009 included:

- Research on an improved bean variety in Haiti resulted in a doubling of yields. The beans have become a successful moneymaker for small farmers.
- Improved technologies developed by U.S. universities roughly doubled sorghum and millet yields from one growing season to the next at project sites in Mali, Niger, and Senegal
- An international aquaculture program in Bangladesh that cultivated fish in rice paddies increased the average income of participating households by quadrupling the contribution of fish to incomes
- A pilot program tested the concept of an area-based, weather-indexed livestock insurance product to protect livelihoods of Kenyan pastoralists
- A virtual global research program on new-generation fertilizers and production methods was launched, and five African intergovernmental bodies received assistance in harmonizing agricultural input policies

A productive and healthy environment is the foundation for sustainable economic growth, especially in developing countries where people's livelihoods often depend on rangelands, forests, fisheries, and wildlife. EGAT programs assist partner countries to reform natural resources policies, improve natural resources management, and clarify property rights in order to conserve biodiversity and the productivity of natural resources and address climate change. In FY 2009, EGAT programs:

- Resulted in more than 24 million hectares in areas of biological significance under improved management, and more than 8 million hectares in areas of biological significance showing improved biophysical conditions
- Supported biodiversity conservation efforts that brought 312,000 hectares in 133 sites under effective, community-based forest management in the Philippines, and aided the passage of two new laws protecting marine resources in Belize
- Promoted improved water governance, supporting efforts that stopped illegal fishery contracts in Peru's Pastaza River basin, and won the commitment of 14 hotels near Kenya's Masai Mara National Reserve to reduce surface water pollution

EGAT made climate change one of its top priorities in FY 2009, providing substantial technical support to the U.S. delegation to United Nations climate change negotiations, expanding an online portal for geographic information and decision support tools from Central America to East Africa,

and helping several clean energy developers find investors through support of three highly-attended investor forums in Asia. The South African firm Energy Densification Services, one of the USAID-supported clean energy developers, successfully commercialized a technology that converts biomass materials into clean fuel pellets for furnaces.

EGAT field-tested its “Adapting to Coastal Climate Change” guidebook in the Marshall Islands and supported international agricultural research on adaptation of major agro-ecosystems, such as rice and agroforestry, to the impacts of climate change. Collaboration with an Indian seed company led to field and laboratory screening methodologies for testing drought tolerance, nitrogen use, and salt tolerance in rice and wheat.

Finally, recognizing that physical infrastructure – roads, modern energy systems, and information and communications technology – is essential to economic growth and improved livelihoods, EGAT:

- Helped USAID’s mission in Afghanistan design and implement initiatives to improve Kabul Electricity Services, expand electricity services in Nangarhar, develop plans for a gas-fired generation plant, and improve utility management in Kandahar
- Provided support to energy projects adding one gigawatt of new electricity capacity and leveraging more than \$1 billion in new investment in Nigeria, Kenya, Ghana, Nigeria, Mozambique, Namibia, and Kenya
- Improved electricity availability in health clinics serving HIV/AIDS patients in Haiti, Zambia, and Rwanda, and trained over 80 health facility engineers in Haiti and Rwanda

Investing in People

Education systems throughout much of the developing world grapple with low rates of transition from one level of education to the next, poor infrastructure, and inadequate access to quality education, particularly for girls. This is compounded by high student-teacher ratios and the lack of professionally trained teachers. EGAT provides technical leadership and guidance to ensure USAID’s education programs meet USG foreign policy goals. In FY 2009, EGAT:

- Developed and implemented tools for measuring early grade learning outcomes in reading and mathematics and school management effectiveness in 10 countries. The World Bank and the William and Flora Hewlett Foundation supported their use in five other countries.
- Advanced development and use of modern education practices through research activities and case studies on active-learning pedagogies, studies of Opportunity to Learn factors (such as class size and student to teacher ratios), and analyses of long-term education reform
- Convened a Worldwide Education and Training Workshop that brought together more than 375 USAID officers and implementers to share tools, program models, and assessment results. Additionally, 125 education staff from 26 countries participated in 1-2 week professional development training courses.
- Supported 86 ongoing higher education partnerships in 34 countries that strengthened the skills of 8,111 individuals (4,576 men and 3,535 women) through degree and non-degree training, exchanges, and internships

- Approved 44 new higher education partnerships in 20 countries and 3 regions, including 33 partnership planning grants of \$50,000 each to university partnerships in 19 African countries

In the area of clean water supply and sanitation, EGAT:

- Supported four public-private sector water alliances that mobilized \$11 million in private sector support to programs that protected watershed sustainability, and increased access to water supply and sanitation to more than 60,000 people in 16 countries
- Designed and launched two major initiatives to promote the adoption of water and sanitation best practices in Africa, including the Sustainable Water and Sanitation in Africa, aimed at strengthening water and sanitation utility governance, reform, and finance to improve services, particularly for the poor

Governing Justly and Democratically

EGAT worked to combat gender-based violence by piloting programs in Bangladesh, Nepal, Liberia, Rwanda, Sudan, and Uganda to address harmful practices. For example, in FY 2009, the Chunauti child marriage project in Nepal formed Child Marriage Eradication Committees, selected 270 peer educators, and trained 270 them on issues related to gender-based violence and child marriages. Sixty-seven social campaign rallies, attended by 20,000 people, raised awareness and received commitments from Hindu and Muslim religious leaders that they would not play a role in child marriage ceremonies. The media also committed to highlighting cases of child marriage and dowry.

EGAT supported good governance in FY 2009 by advising USAID field missions on issues involving local governance, municipal service delivery, and local economic development. Over the past year, EGAT urban experts assisted in the design of local government and decentralization programs in Uzbekistan and Turkmenistan, conducted a local governance assessment in Georgia, and helped the mission in Afghanistan design a new \$60 million water and sanitation program that will improve the delivery of these services for Kabul and other urban areas.

Peace and Security

In FY 2009, EGAT supported modest programs that promote conflict mitigation and reconciliation in the Middle East and address the transnational crime of trafficking in persons. To promote peace and security, EGAT:

- Supported 32 joint Arab-Israeli research projects, nearly all self-led and directed, under the Middle East Regional Cooperation Program. These projects led to tangible peace dividends through significant accomplishments in agriculture, environment, and health, such as the introduction of a new virus-resistant commercial tomato variety in Jordan, and protocols for safe effective use of reclaimed wastewater for olive irrigation in Israel, Jordan, and the West Bank.
- Helped women's civic leadership programs in Burundi, Nepal, and Sri Lanka increase women's capacity to contribute to governance and conflict resolution. For example, the Burundi program built capacity in conflict management, anticorruption, and leadership skills among 153 women civil society leaders and 30 female parliamentarians.

- Supported an examination of anti-trafficking program experience throughout Asia since 2001, completed assessments of human trafficking and/or efforts to combat human trafficking in Namibia and Vietnam, and assessed USAID monitoring and evaluation efforts as they relate to antitrafficking programs

All EGAT technical leadership and support — whether it is specifically focused on economic growth or supports investing in people, governing justly and democratically, or peace and security — helps developing countries to better manage their own development and to promote long-term economic growth.