Colombia
Economic Performance Assessment

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Sponsored by the Economic Growth office of USAID's Bureau of Economic Growth, Agriculture and Trade (EGAT) under Contract No. PCE-I-00-00-00013-00, Task Order 004, the Country Analytical Support (CAS) Project, 2004–2006, Nathan Associates Inc. developed a standard methodology for producing analytical reports to provide a clear and concise evaluation of economic growth performance in designated countries receiving USAID assistance. The reports are tailored to meet the needs of USAID missions and regional bureaus for country-specific analysis. Each report contains

- A synthesis of key data indicators drawn from numerous sources, including the World Bank, the International Monetary Fund, the Millennium Challenge Corporation, the United Nations, other international data sets, and host-country documents and data sources;
- International benchmarking to assess country performance in comparison to similar countries, groups of countries, and predicted values based on international data;
- An easy-to-read analytic narrative that highlights areas in which a country's performance is particularly strong or weak, to assist in the identification of future programming priorities; and
- A convenient summary of the main findings, in the form of a Highlights Table and a Performance Scorecard (in lieu of an Executive Summary).

Under Contract No. GEG-I-00-04-00002-00, Task Order 004, 2006-2008, Nathan Associates continues to provide support to the EGAT Bureau by producing analytical reports evaluating economic growth performance in designated host countries. Through the same task order, Nathan is also developing a special template for countries emerging from crisis, assessing data issues in countries with large gaps in their data; conducting in-depth sector reviews based on the diagnostic analysis in the country reports; and providing other analytical support to the EGAT Bureau.

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HIGHLIGHTS OF COLOMBIA'S PERFORMANCE

Economic Growth	Real GDP growth averaged 5.4 percent in the past five years, reaching 6.8 percent in 2006 according to preliminary estimates. Higher growth rates have improved labor and investment productivity.
Poverty	Economic growth has reduced the poverty headcount to 49 percent in 2005, still high by regional and absolute standards. Further progress was achieved during 2006. The poorest 20 percent earn only 2.5 percent of the country's income.
Economic Structure	Agriculture's share of output has declined steadily over the past 5 years. Industry is the most productive sector; higher than the LMI-LAC country median and the global LMI median.
Demography and Environment	Colombia scores extremely well on the Environmental Performance Index—ranking 17 out of 133 countries. Population and youth dependency rates are declining; urbanization is rising.
Gender	Colombia performs well on nearly every measure of gender equality ,but a disparity between male and female opportunity and participation in political and economic decision-making remains.
Fiscal and Monetary Policy	Inflation and the budget deficit have been reduced, but consolidating public finances and ensuring stability will require further reform. The Central Bank is committed to reducing exchange rate volatility.
Conflict Status	Political and economic stability is undermined by outlawed armed groups, drug cartels, and human rights abuses.
Business Environment	The business environment is problematic but regulations have been improved. The rate of taxation may be overly burdensome, but its impacts have not yet been analyzed.
Financial Sector	The financial system is underdeveloped and has impediments, such as stamp and financial transaction taxes, forced investment requirements, uncertain creditor rights and an outdated regulatory framework.
External Sector	Export performance has been weak, but the current account deficit is sustainable. The relatively low ratio of trade to GDP (42.8 percent) indicates little involvement in international markets. Exports are disproportionately concentrated in oil, coal, and petroleum products. FDI inflows have risen recently. Debt service as a percentage of exports is rising and high compared to benchmarks.
Economic Infrastructure	Colombia has developed infrastructure compared to its lower middle-income peers in Latin America (and is above average in telecommunications, electricity and air transport), but deficiencies remain.
Science and Technology	After several years of steady improvement, performance scores in all available indicators dropped in 2007.
Health	Access to clean water and improved sanitation is excellent. Spending on healthcare is high, but healthcare services could be improved.
Education	Expenditure on education is high by benchmark standards and indicators show recent improvement, yet primary and secondary enrollment and retention rates are below benchmarks.
Employment and Workforce	Although declining, unemployment remains high at 12 percent, underscoring the continual need to create productive jobs and income opportunities.
Agriculture	Sector productivity is good compared to benchmarks, but growth in exports and agricultural value added has been low in recent years.

COLOMBIA STRENGTHS AND WEAKNESSES—SELECTED INDICATORS

Selected Indicators, by Topic	Strengths	Weaknesses
Growth Performance		
Real GDP growth	X	
Poverty and Inequality		
Poverty headcount by the national poverty line		X
Population living on less than $2 PPP per day		X
Human poverty index	X	
Income share of bottom 20% of households		X
Demography and Environment		
Adult literacy rate	X	
Environmental Performance Index	X	
Gender		
Labor force participation rates, female		X
Conflict Status		
Failed States Index		X
Fiscal and Monetary Policy		
Inflation rate	X	
Business Environment		
Corruption Perceptions Index		X
Regulatory Quality Index	X	
Cost of starting a business, % of GNI per capita	X	
Time to register property	X	
Time to enforce a contract		X
Total tax payable by business, % of operating profit		X
Financial Sector		
Monetization rate (broad money, M2, as % of GDP)		X
Legal rights of borrowers and lenders		X
Stock market capitalization rate	X	
External Sector		
Export growth		X
Gross international reserves, months of imports	X	
Trade in goods and services, percentage of GDP		X
Trade in services		X
Concentration of exports		X
Debt service ratio		X
Ease of trading across borders		X

Selected Indicators, by Topic	Strengths	Weaknesses
Trade Freedom Index		X
Economic Infrastructure		
Internet users per 1,000 people	X	
Telephone density, fixed line and mobile	X	
Air transport quality	X	
Electricity	X	
Science and Technology		
FDI and Technology Transfer Index	X	
Availability of scientists and engineers	X	
Scientific and technical journals	X	
Health		
Maternal mortality rate		X
Access to improved sanitation and water source	X	
Public health expenditure, % of GDP	X	
Education		
Youth literacy rate	X	
Net primary enrollment rate		X
School enrollment, tertiary	X	
Persistence to grade 5		X
Expenditures per student, % of GDP per capita (primary, secondary)	X	
Employment and Workforce		
Rigidity of employment index	X	
Unemployment rate		X
Agriculture		
Agriculture value added per worker	X	
Cereal yield	X	
Agricultural export growth		X
Agricultural value added growth		X

Note: The chart identifies selective indicators for which performance is particularly strong or weak relative to benchmark standards, as explained in Appendix A. The data supplement presented in Appendix B provides full tabulation of the data and international benchmarks examined for this report, along with technical notes on data sources and definitions.

1. Introduction

This report is one of a series of economic performance assessments prepared for the EGAT Bureau to provide USAID missions and regional bureaus with a concise evaluation of key indicators covering a broad range of issues relating to economic growth performance in designated host countries. The report draws on a variety of international data sources[1] and uses international benchmarking against reference group averages, comparator countries, and statistical norms to identify major constraints, trends, and opportunities for strengthening growth and reducing poverty in Colombia. Ideally, comparators are better performers in the same income group, but no such comparators exist for Colombia. Instead, Chile and Mexico—both upper-middle countries in the Latin American and Caribbean region according to the World Bank's standard classification—are used as comparators and as economies to which Colombia may aspire. We also compare Colombia's performance to median[2] values of lower-middle income (LMI) countries and lower-middle income countries in Latin America (LMI-LAC).

METHODOLOGY

The methodology used here is analogous to examining an automobile dashboard to see which gauges are signaling problems. Sometimes a blinking light has obvious implications—such as the need to fill the fuel tank. In other cases, it may be necessary to have a mechanic probe more deeply to assess the source of the trouble and determine the best course of action.[3] Similarly, the Economic Performance Assessment is based on an examination of key economic and social indicators, to see which ones are signaling problems. Some "blinking" indicators have clear implications, while others may require further study to investigate the problems more fully and identify appropriate courses for programmatic action.

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[1] Sources include the World Bank, the International Monetary Fund, the Millennium Challenge Corporation, the United Nations (including the Millennium Development Goals database), the World Economic Forum, and host-country documents and data sources. This report reflects data available as of early January 2008.

[2] A median is a type of average, found by sorting all the values and then selecting the middle one. If the total number of values is even, then the median is the mean of the two middle numbers. The median is a useful when the distribution has extreme values.

[3] Sometimes, too, the problem is faulty wiring to the indicator—analogous here to faulty data.

The analysis is organized around two mutually supportive goals: transformational growth and poverty reduction.[4] Broad-based growth is the most powerful instrument for poverty reduction. At the same time, programs to reduce poverty and lessen inequality can help to underpin rapid and sustainable growth. These interactions can create a virtuous cycle of economic transformation and human development.

Transformational growth requires a high level of investment and rising productivity. This is achieved by establishing a strong ***enabling environment for private sector development,*** involving multiple elements: macroeconomic stability; a sound legal and regulatory system, including secure contract and property rights; effective control of corruption; a sound and efficient financial system; openness to trade and investment; sustainable debt management; investment in education, health, and workforce skills; infrastructure development; and sustainable use of natural resources.

In turn, the impact of growth on poverty depends on policies and programs that create opportunities and build capabilities for the poor. We call this the ***pro-poor growth environment*** [5] Here, too, many elements are involved, including effective education and health systems, policies facilitating job creation, agricultural development (in countries where the poor depend predominantly on farming), dismantling barriers to micro and small enterprise development, and progress toward gender equity.

In countries that have been plagued by conflict, such as Colombia, security conditions and economic performance also affect each other. Overt conflict, or even the risk of serious conflict, can adversely affect growth; conversely, an end to conflict can deliver a peace dividend. And economic conditions may either exacerbate or ameliorate security problems. Thus, it is useful to view economic performance in Colombia through a conflict lens. Accordingly, this report includes a section on conflict risk; we also assess signs of how conflict may be affecting economic performance throughout the paper.

The present evaluation must be interpreted with care. A concise analysis of selected indicators cannot provide a definitive diagnosis of economic performance problems, nor simple answers to questions about programmatic priorities. Instead, the aim of the analysis is to spot signs of serious problems affecting economic growth, subject to limits of data availability and quality. The results should provide insight about potential paths for USAID intervention, to complement on-the-ground knowledge and further in-depth studies.

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[4] In USAID's white paper *U.S. Foreign Aid: Meeting the Challenges of the Twenty-first Century* (January 2004), transformational growth is a central strategic objective, both for its innate importance as a development goal and because growth is the most powerful engine for poverty reduction.

[5] A comprehensive poverty reduction strategy also requires programs to reduce *vulnerability* of the poor to natural and economic shocks. This aspect is not covered in the template since the focus is economic growth programs. In addition, it is difficult to find meaningful and readily available indicators of vulnerability to use in the template.

The remainder of the report presents the most important results of the diagnostic analysis, in four sections: Overview of the Economy; Conflict Risk; Private Sector Enabling Environment; and Pro-Poor Growth Environment. Table 1-1 summarizes the topical coverage. Appendix A provides a brief explanation of the criteria used for selecting indicators, the benchmarking methodology, and a table showing the full set of indicators examined for this report. Appendix B provides a full tabulation of the data and international benchmarks examined for this report, along with technical notes on the data sources and definitions.

Table 1-1
Topic Coverage

Overview of the Economy	Conflict Status	Private Sector Enabling Environment	Pro-Poor Growth Environment
• Growth performance • Poverty and inequality • Economic structure • Demographic and environmental conditions • Gender	• Conflict assessment • Economic impact of conflict	• Fiscal and monetary policy • Business environment • Financial sector • External sector • Economic infrastructure • Science and technology	• Health • Education • Employment and workforce • Agriculture

2. Overview of the Economy

This section reviews basic information on Colombia's macroeconomic performance, poverty and inequality, economic structure, demographic and environmental conditions, and indicators of gender equity. Some of the indicators cited here are descriptive rather than analytical and are included to provide context for the performance analysis.

GROWTH PERFORMANCE

Colombia is still classified as a lower middle-income country, partly because of the economic strains of internal conflict. In the 1960s and 1970s, Colombia enjoyed high growth. The growth rate slowed in the 1980s, but Colombia outperformed many neighboring countries experiencing severe debt crises. By 1999, however, currency overvaluation, macroeconomic imbalances, and deteriorating investor confidence led to the country's first economic recession in more than 60 years.[6] Favorable global economic conditions, such as rising international oil and commodities prices, and macroeconomic and security reforms (see Section 4) resulted in positive growth starting in 2002. Indeed, Colombia's per capita GDP in current US dollars was $3,614 in 2007—slightly higher than the LMI-LAC median of $2,662 and superior to the global LMI median of $2,310.[7] Real GDP growth has averaged 5.4 percent in the past five years, exceeding the LMI-LAC median of 4.2 percent, and Mexico's 2.9 percent, but lagging behind our expected value estimate of 6.1 percent, the global LMI median of 5.5 percent, and Chile's 5.9 percent (see Figure 2-1). Nonetheless, these growth rates are admirable considering the country has endured conflict for the past 40 years.

Colombia's ratio of gross fixed investment to GDP climbed steadily from 15.3 percent in 2002 to 19.5 percent in 2006 (see Figure 2-2). Likewise, in the same period the ratio of gross fixed private investment in GDP increased from 7.9 percent to 13.0 percent. Colombia's overall level of fixed investment is comparable with the LMI-LAC country median (19.6 percent) and Mexico (19.3 percent), but is below Chile (22.1 percent).

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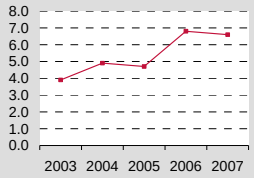
[6] The Economist Intelligence Unit (EIU), *Colombia Country Profile*, August 2006 p. 27.

[7] Measured in purchasing-power parity dollars, the corresponding values are $8,891, $5,013, and $5,486, respectively.

Figure 2-1
Real GDP Growth

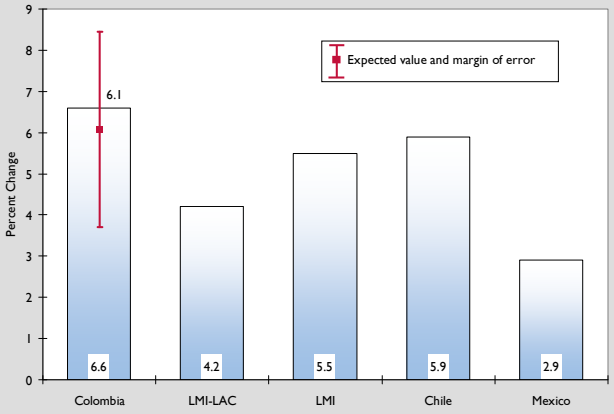
Colombia's economy has grown steadily over the past five years.

Time Series

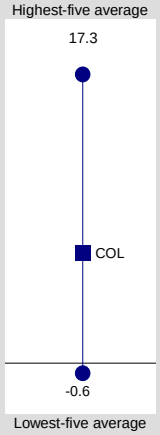


Year	Value
2003	3.9
2004	4.9
2005	4.7
2006	6.8
2007	6.6
Summary for 2003- 2007	
Five year average	5.4
Trend growth rate	13.8

Comparisons to other countries, most recent year



Colombia Global Standing



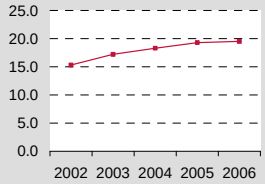
Source: IMF, World Bank Economic Outlook

CAS code: 11P3

Figure 2-2
Share of Gross Investment in GDP

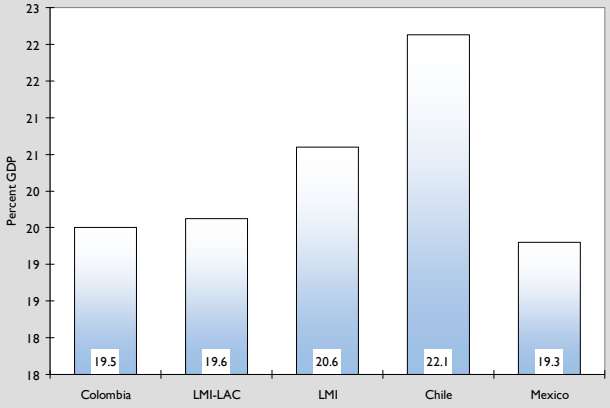
Investment has increased gradually but remains low in absolute terms.

Time Series

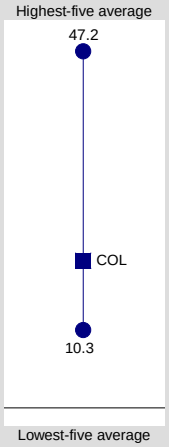


Year	Value
2002	15.3
2003	17.2
2004	18.3
2005	19.3
2006	19.5
Summary for 2002-2006	
Five year average	17.9
Trend growth rate	6.0

Comparisons to other countries, most recent year



Colombia Global Standing



Note: Chile and Mexico data from 2005;
Source: IMF, Article IV Consultation Review

CAS code: 11S3

Colombia's labor productivity—defined as GDP divided by the total labor force—grew by 3.0 percent from 2004 to 2005. This rate is higher than Mexico's 1.2 percent and the LMI-LAC median of 1.5 percent, but below Chile's 4.6 percent. Investment productivity has also improved as measured by the amount of gross investment needed per $1 of extra output, or incremental capital–output ratio. Colombia's ICOR improved from 27.4 in 2002 to 4.8 in 2005, meaning that only $4.80 of gross investment was needed per $1 of extra output—rather than $27.4 (this value

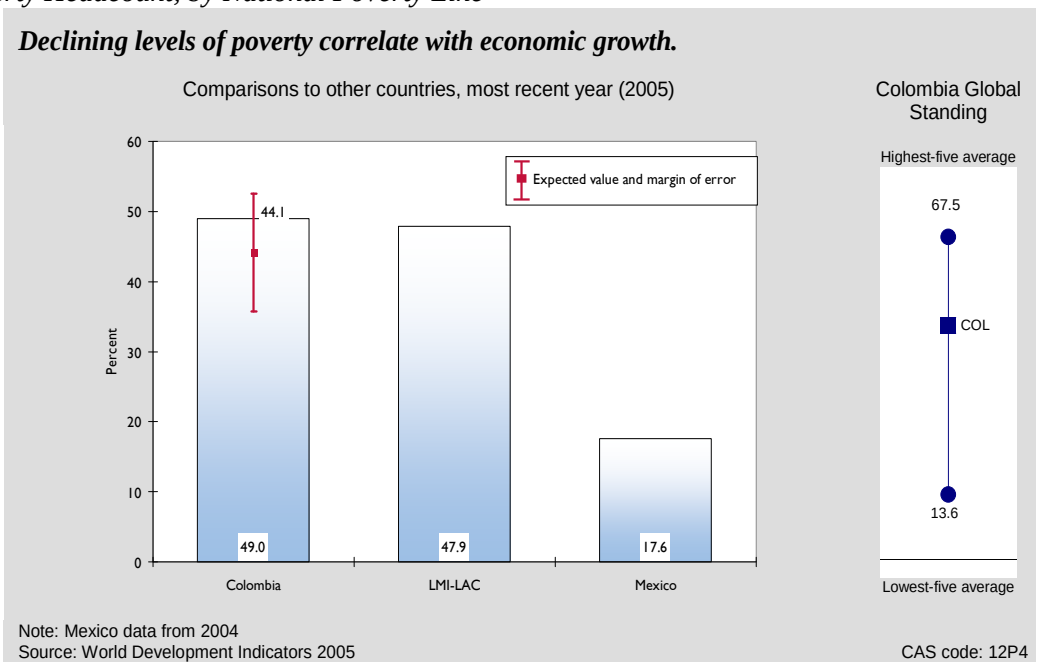
was very high as a result of the recession beginning in 1999—the ICOR is calculated using five year averages). This compares favorably to all benchmarks (LMI-LAC median, 5.5; Mexico, 10.6; Chile 4.8). Colombia will need to continue this trend to reduce its ICOR to the international best practice standard of 4.0.

To become an upper middle-income country with higher living standards, Colombia must at least sustain growth rates comparable to its projected performance in 2006. This will require continuing to improve security conditions and the business environment, preserving macroeconomic stability, strengthening the financial sector, broadening coverage of health and education, improving infrastructure, reducing poverty and unemployment, further opening the economy, and narrowing gender disparities in employment opportunities.

POVERTY AND INEQUALITY

Colombia's declining incidence of poverty correlates with its recent economic growth, but is still high by relative and absolute measures. The poverty headcount by the national poverty line fell from 57.6 percent in 2003 to 49.0 percent in 2005,[8] still higher than the LMI-LAC median of 47.9 percent (Figure 2-3). In 1999, 8.2 percent of Colombians lived on less than US$1 PPP per day; by 2003 (latest year of data), only 7.0 percent did. But in Chile, only 2.0 percent live on less than US$1 PPP per day (2003) and in Mexico only 3.0 percent (2004).

Figure 2-3
Poverty Headcount, by National Poverty Line



[8] IMF Article IV and the National Planning Department. Estimates differ by source. For example, the General Comptroller's Officer reports that the proportion of the population living below the poverty line was 60 percent in 2005.

To adequately grasp the welfare aspects of poverty, measures of income and consumption should be supplemented by measures of access to sanitation, healthcare, and education. The United Nations Human Poverty Index, which measures deficiencies in these areas on a scale of 0 (excellent) to 100 (poor), gave Colombia an overall score of 7.9 in 2005. This is better than the LMI-LAC median of 12.6, slightly worse than Mexico's 7.0, and far from Chile's 4.0. According to the UN Millennium indicators for 2003, 13.0 percent of Colombia's population lacked the minimum dietary energy consumption required to maintain a healthy and active life in. This was slightly higher than the LMI-LAC median of 12.8 percent, and much higher than Chile's 4.0 percent and Mexico's 5.0 percent (2002).

Income inequality is a serious problem throughout Latin America, but especially in Colombia. In 2003, the poorest 20 percent earned approximately 2.5 percent of national income (as a percentage of GDP). This is worse than all the benchmarks: Chile, 3.8 percent; Mexico, 4.3 percent; LMI-LAC median, 3.0 percent. Moreover, Colombia is among the world's five worst performers. Internal displacement arising from Colombia's civil conflict is certainly contributing to the level of poverty (see Demography and Environment section).

The success of any pro-poor programs in Colombia will require that the government develop policy interventions for mitigating conflict, reducing income inequality, delivering primary education, and ensuring an adequate food supply.

ECONOMIC STRUCTURE

Industry is claiming a rising share of Colombia's GDP. Industry value-added as percentage of GDP rose from 29.7 percent in 2000 to 34.2 in 2005, while services' share declined from 56.7 percent to 53.3 percent, and agriculture's contracted slightly from 13.6 percent to 12.5 percent (see Figure 2-4). The LMI-LAC median value was lower for industry (29.6 percent), higher for services (56.4 percent), and similar for agriculture (12.6 percent).

In 2005, 58.8 percent of Colombia's labor force was employed in services, 22.4 percent in agriculture, and 18.8 percent in industry. These figures resemble the LMI-LAC medians: 58.3 percent in services, 20.7 percent in agriculture, and 20.4 percent in industry.

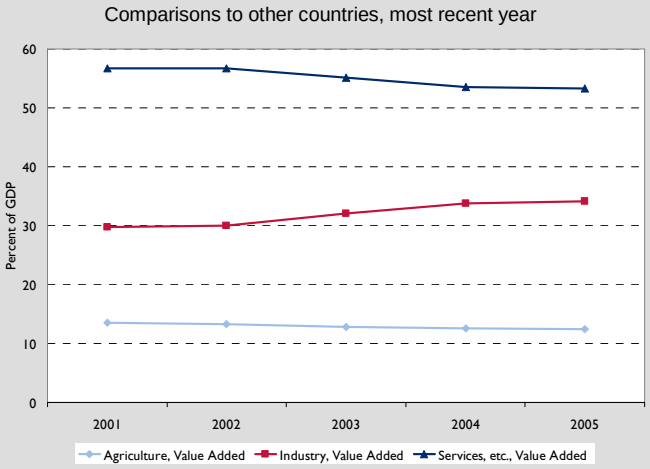
Industry in Colombia is relatively more productive than in other LAC countries. In the average LMI-LAC country the 20.4 percent of the labor force employed in industry accounts for 29.6 percent of all output; in Colombia 18.8 percent generates 34.2 percent of output. Industry productivity is much higher in Chile: 23.0 percent of the labor force accounts for 46.8 percent of output.

In Colombia's agriculture sector, employment and output changed only slightly in the five years to 2005. Employment edged up from 22.2 percent in 2001 to 22.4 percent in 2005, and output edged down from 13.6 percent to 12.5 percent. Agricultural labor in Colombia is relatively more productive than in Chile and Mexico, but has not yet achieved the structural transformation evident in those countries. In 2005 (latest year of data available), only 15.1 percent of Mexico's labor force was employed in agriculture and in Chile only 13.2 percent. Colombia would gain overall productivity by establishing programs that encourage the transfer of workers away from agriculture.

Figure 2-4
Output Structure and Trend

Industry's share of GDP is rising while services' share is declining.

Output Structure			
Year	Agriculture	Industry	Services
2001	13.6	29.7	56.7
2002	13.3	30.0	56.7
2003	12.8	32.1	55.1
2004	12.6	33.8	53.6
2005	12.5	34.2	53.3
Summary 2001-2005			
5-year average	13.0	32.0	55.1
Trend growth rate	-2.2	4.0	-1.8



Source: World Development Indicators (WDI)

CAS code: 13P2a-c

DEMOGRAPHY AND ENVIRONMENT

Between 1998 and 2001 emigration surged in Colombia because of high unemployment and lack of security, but has since abated. In 2005, Colombia had an estimated population of 45.6 million and a population growth rate of 1.5 percent per year, equivalent to the LMI-LAC and LMI medians, and slightly higher than Mexico's 1.0 percent, and Chile's 1.1 percent.

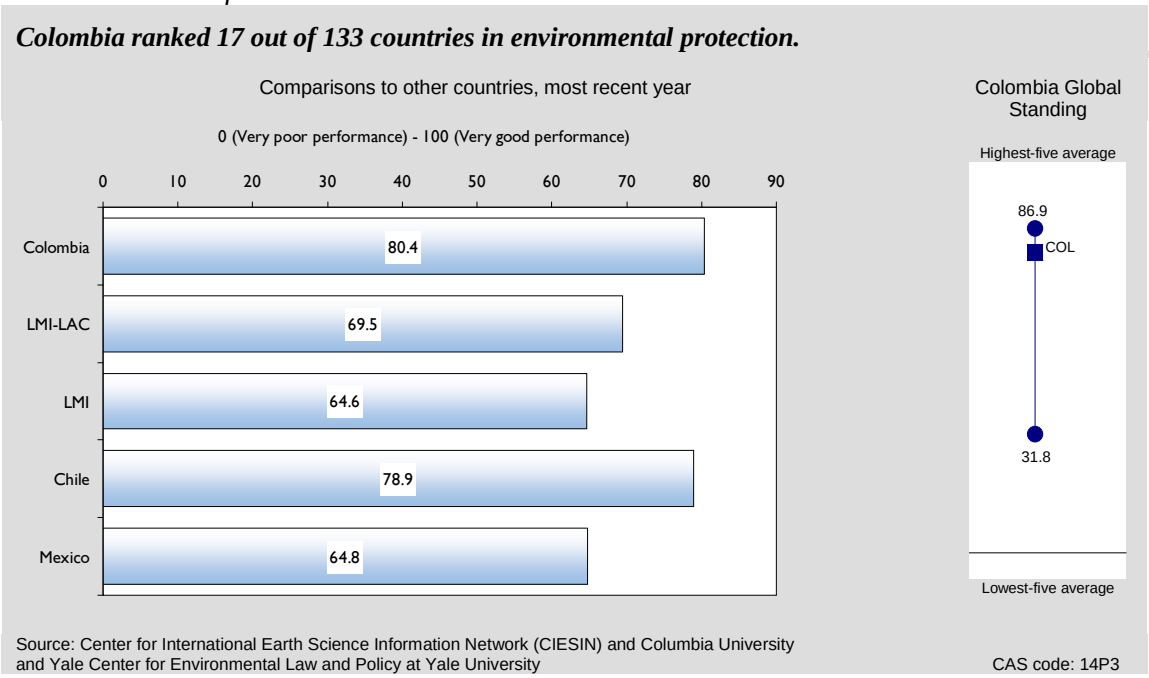
Colombia has a high youth dependency rate as measured by the percentage of population under the age of 15, but the rate is falling—going from 52.5 percent in 1999 to 48.5 percent in 2005, a rate close to Mexico's 48.7 percent and slightly lower than the LMI-LAC median of 52.1 percent. Still, such youth concentration can burden public services, such as education and healthcare, while generating huge demand for employment and increasing the risk of civil conflict. The elderly dependency rate, as determined by the percentage of the population over 65, averaged 7.8 percent from 2000 to 2005, close to Mexico's rate of 8.1 percent and the LMI-LAC median rate of 8.4 percent. In contrast, Chile has low population growth and a relatively aging demographic structure; its youth dependency rate was only 37.1 percent and its elderly dependency 12.1 percent in 2005.

Colombia's population is overwhelmingly urban. From 2001 to 2005, the percentage of population living in urban areas rose from 71.5 percent to 72.7 percent, significantly higher than the LMI-LAC median of 61.3 percent, but similar to Mexico's 76.0 percent and Chile's 87.6 percent. Urbanization reflects the structural shift from agriculture and the displacement of the rural population due to conflict in the south and east. According to the 2006 IMF Article IV Consultation Report, the Government of Colombia estimates that more than 1.8 million have been

displaced. The Internal Displacement Monitoring Centre estimates that 3.8 million people have been displaced since 1994.[9]

In environmental matters, Colombia scores extremely well. The Environmental Performance Index, which evaluates environmental stress and ecosystem vitality in 133 countries, ranked Colombia at 17 in 2006. Its index score of 80.4 out of 100 bested scores for Chile (78.9), Mexico (64.8), and the LMI-LAC country median (69.5) (Figure 2-5).

Figure 2-5
Environmental Performance Index



In sum, Colombia's declining population growth rate and youth dependency rate will alleviate demographic pressures slightly, but rising urbanization can put a strain on development programs that aim to create jobs and improve infrastructure. In addition, international donor agencies should address the severe challenges posed by conflict-induced emigration and displacement when designing programmatic interventions.

GENDER

Colombian statistics show gender equality in health, education, and labor force participation, but gender empowerment is lacking. In 2005, Colombian life expectancy at birth was 68.7 years for males and 76.0 years for females, better than the LMI-LAC median (68.4 males and 73.9 females) and on par with Mexico (73.1 males and 78.0 females), but less than expectancies in

[9] "Internal Displacement, Global Overview of Trend and Developments in 2006," p. 92.

Chile (75.3 and 81.3 years). However, the high rate of male homicides in Colombia—39 per 100,000 in 2005—skews male life expectancy statistics and gender comparisons.[10]

More females than males attend school in Colombia. In 2004, the female gross enrollment rate was 74 percent and the male rate was 71 percent. The gap is reversed in Chile, where the male enrollment rate is 82 percent and the female rate is 80 percent. Mexico's rates show little disparity (male 75 percent, female 76 percent). Colombia's equitable enrollment rates may be skewed by male involvement in civil conflict. Nonetheless, girls' primary school completion rate rose from 89.7 percent in 2003 to 99.5 percent in 2005—equal to Mexico's 99.6 percent and well above the LMI-LAC median of 93.4 percent and Chile's 94.6 percent (2004).

In 2005, the labor force participation rate was 86.4 percent for males and 67.2 percent for females, well above rates for regional comparators. The LMI-LAC median was 87.2 percent for males and 55.3 percent for females. In Chile, 78.2 percent of males and 41.4 percent of females participate in the labor force; and in Mexico 85.4 percent of males and 44.3 percent of females do. Still, the United Nations Gender Empowerment Measure, which evaluates gender equality in political and economic life, ranked Colombia 51 out of 75 countries.[11] This ranking indicates a persistent disparity between male and female control of economic resources and participation in political and economic decision-making.

[10] EIU, Colombia Country Profile, p. 15.

[11] Human Development Report 2006, Country Fact Sheets, Colombia, UN 2006.

3. Conflict Risk

According to a recent review of the literature on conflict and growth, conflict dampens growth by drawing resources into nonproductive military activities, impeding investment in physical capital and human resources, impairing fiscal capacity for other essential government expenditures, and imposing a debt burden that encumbers future budgets.[12] One influential study finds that civil wars reduce GDP per capita at an annual rate of 2.2 percent relative to estimates of what would occur in the absence of conflict.[13] The impact on per capita income is especially pronounced in regions directly affected by conflict.[14]

Following four decades of fighting, Colombia is infamous for political violence, narcoterrorism, and corruption. The presence and influence of outlawed armed groups and drug cartels, as well as a history of human rights abuses, has damaged Colombia's reputation and eroded its political and economic stability.

In this section, we assess the possibility of continued violence using the Conflict Assessment System Tool developed by the Fund for Peace (FfP). CAST gauges the extent to which states are vulnerable to violent internal conflict and societal dysfunction by rating 12 factors in three categories: social, economic, and political or military. Each indicator is scored on a scale of 1 to 10. The scores are based on statistical data and on computerized processing and content analysis of thousands of news articles and documents from approximately 12,000 sources around the world. The higher the score, the greater the risk: a score of 90 or more places the country in the "critical" category and the maximum of 120 signals "state collapse."[15]

COLOMBIA'S CAST SCORES

In 2007, the CAST score for Colombia was 89.7, a slight improvement from 91.8 in 2006. Colombia showed no change in 6 of the 12 factors, and in 9, scored 7 or higher—the "alert" category (Table 3-1). According to the FfP analysis, the main sources of risk in Colombia are

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[12] Daniel Mejia, "Conflict and Economic Growth: A Survey of the Theoretical Links," Webpondo, September 2004. http://www.webpondo.org/filesoctdic2004/conflict_growth.pdf, accessed April 13, 2007.

[13] Paul Collier, "On the Economic Consequences of Civil War," Oxford Economic Papers 51 (1999), 168–183. http://www.worldbank.org/research/conflict/papers/cw-consq.pdf, accessed April 13, 2007.

[14] Alberto Abadie and Javier Gardeazabal, "The Economic Costs of Conflict: A Case Study of the Basque Country," July 2002. http://ksghome.harvard.edu/~aabadie/ecc.pdf, accessed April 13, 2007.

[15] The CAST methodology is described in detail on the Fund for Peace's website: http://www.fundforpeace.org/web/index.php?option=com_content&task=view&id=107&Itemid=145.

factionalized elites, the security apparatus, refugees and displaced peoples, state delegitimization, and uneven development.

Table 3-1
Component Ratings of Colombia's 2007 CAST Scores

Category	Score
SOCIAL	
Demographic pressures	6.8
Refugees and displaced persons	9.5
Group grievance	7.4
Human flight	8.4
ECONOMIC	
Uneven development	8.4
Economic decline	3.8
POLITICAL AND MILITARY	
Delegitimization of the state	8.2
Deterioration of public services	6.0
Human rights	7.4
Security apparatus	8.3
Factionalized elites	8.5
External influence	7.0

Social Indicators. The high scores for social indicators reflect a number of factors: a youth bulge of 29 percent ,[16] repeated displacement of those living in conflict areas—1.8 to 3.8 million—restricted social mobility that exacerbates social unrest and facilitates the emergence of leftist insurgencies, and large numbers of Colombians who have migrated.

Economic Indicators. Colombia's economic development is uneven and largely due to social stratification. Historically, families of direct Spanish lineage have possessed most of the country's wealth and power. Recent economic growth is reflected in the score of 3.8, but persistent violence deters investment in some areas despite great potential for resource wealth.

Political and Military Indicators. Government scandals, institutional corruption, and multiple insurgent and paramilitary groups weaken state legitimacy. Public services in major metropolitan areas are very good, but services in hard-to-reach, violence-plagued areas are not. The poor score for human rights is due to alleged inappropriate use of force by government security forces and indiscriminate targeting of civilians by armed groups. Despite recent achievements in disarming and demobilizing paramilitary groups, there is evidence that they still operate with impunity and target civilians. Colombia's strong support for the Voluntary Principles on Security and Human

[16] "Colombia." CIA. The World Factbook. March 15, 2007.

Rights could lead to improvement in human rights as more and more police and military receive appropriate training.[17] The score of 8.3 for security apparatus reflects alleged linkages between military and paramilitary groups as well as the continued presence of narcoterrorists. Political parties and social groups are slightly less alienated from each other, as reflected in the factionalized elites score of 8.5, down from 9.2 in 2006. The score for external influence improved, reaching 7.0 in 2007, down from 9.0 in 2005, largely because the United States has reduced military and police assistance for eradicating the drug trade in favor of less-intrusive economic and social assistance.[18] Doubts about the effectiveness of aid programs could further reduce such aid.[19]

Drug Eradication

In hopes of eliminating the primary source of funding for armed groups, the government has executed intensive drug eradication programs. According to the U.S. Department of State's International Narcotics Control Strategy Report, 178.3 metric tons of cocaine HCI/base were seized and 2,166 drug labs (cocaine HCI/base and heroin) destroyed in 2006. Estimates of coca and opium production are not yet available, but according to Colombia's National Drug Observatory, 213,724 hectares of coca were destroyed manually or aerially and about 1,929 hectares of opium eradicated in 2006. Eradication efforts are largely financed by the U.S. government in an attempt to curtail supply of these drugs to the United States.[20]

REBEL AND PARAMILITARY GROUPS AND THE DRUG TRADE

Eighty percent of the world's cocaine comes from Colombia; this is a major source of funding for rebel and paramilitary groups.[21] Colombia's population and its commercial agriculture and mining are concentrated along the Andes, as are attacks by rebel groups. Coca is cultivated in all rural areas but is concentrated in the south. Today, conflict has become more complex as members of rebel and paramilitary forces infiltrate schools, unions, hospitals, and government organizations in urban areas while maintaining their bases of operation in rural areas. However, most local and foreign observers believe Colombia to be much safer than when violence was concentrated in the southwest. [22]

Revolutionary Armed Forces of Colombia (FARC). The FARC, one of the world's strongest and best financed insurgent groups, controls large areas of the countryside, mostly the jungles of the southeast and the plains at the base of the Andes.[23] With about 12,000 members, it targets political and military installations and once promoted communist and socialist views. Many observers

[17] The Voluntary Principles were developed by the governments of the United States, the United Kingdom, Norway, and the Netherlands, companies operating in the extractive and energy sectors, and nongovernmental organizations.

[18] The Center for International Policy's Colombia Program, U.S. Aid to Colombia Since 1997: Summary Tables, http://www.ciponline.org/colombia/aidtable.html

[19] "Billions spent, but drug trade grows," David Adams, St. Petersburg Time, June 30, 2007. http://www.sptime.com/2007/06/30/Worldandnation/Billions_spent_but_d.html

[20] "International Narcotics Control Strategy Report." U.S. Department of State. March 2007. http://www.state.gov/p/inl/rls/nrcrpt/2007/vol1/html/80855.htm

[21] "Background note: Colombia." U.S. Department of State. March 2007. http://www.state.gov/r/pa/ei/bgn/35754.htm

[22] Brodzinsky, Sibylla. "Tourism to Colombia on the Rise." CBS News.com May 9, 2006. http://www.cbsnews.com/stories/2006/05/09/world/main1602893.shtml

[23] FARC-EP. http://www.farcep.org/

believe that FARC no longer holds to those views given its involvement in cocaine trade and its unwillingness to reach a peaceful compromise with the government. According to the Memorial Institute for the Prevention of Terrorism (MIPT) Terrorist Knowledge Base, FARC's goal is to retain significant financial and territorial control.[24] The cocaine trade is FARC's primary means of funding, but it also resorts to kidnapping, extortion, and hijacking. As a result, the United States and the European Union have declared it a terrorist group.

National Liberation Army (ELN). The ELN has approximately 3,000 members and espouses communist and socialist views.[25] Its purpose is to represent the rural poor, decrease foreign presence in Colombia, and replace the government with a more egalitarian "popular democracy." Operating primarily in oil-rich areas, it is strongly opposed to foreign investment and has been associated with trade unionists in energy sectors. The ELN funds itself by kidnapping and extorting oil company employees. It was recently accused of collecting property taxes from poppy and coca growers.[26] It last attacked in mid-2006, and is considered a terrorist organization by the United States and European Union. President Alvaro Uribe Vélez is conducting peace talks with the ELN, but whether it will relinquish arms or the use of violence remains uncertain.

United Self-Defense Forces of Colombia (AUC). The AUC is a right-wing paramilitary group of more than 20,000 controlling northern parts of the country. It espouses nationalist/separatist views and believes that the economic interests of the wealthy and the state should be protected. It provides services for economic elites, drug lords, and citizens who are anti-left.[27] The AUC is considered an umbrella organization funding smaller paramilitary groups. Its primary targets are private citizens, private property, and government sites and officials, as well as people suspected of helping left-wing guerillas.[28] At first, AUC had the approval and support of the military, but lost that support as its ties with drug lords increased. Peace talks began between the government and AUC in 2004.[29] President Uribe negotiated the AUC's disarmament and reintegration of its members into the Colombian Armed Forces. He convinced the AUC to disarm by promising to reduce prison sentences for terrorist and narcotics crimes and preventing extradition to the United States.[30]

AUC is now considered disarmed, but some demobilized paramilitary have been accused of continuing attacks in demilitarized zones in the north. Witnesses and victims are accusing

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[24] "Group Profile: Revolutionary Armed Forces of Colombia." MIPT Terrorism Knowledge Base. March 2007. http://www.tkb.org/Group.jsp?groupID=96

[25] "Group Profile: National Liberation Army." MIPT Terrorism Knowledge Base. March 2007. http://www.tkb.org/Group.jsp?groupID=218

[26] "Group Profile: National Liberation Army."

[27] "Group Profile: United Self-Defense Forces of Colombia." MIPT Terrorism Knowledge Base. March 2007. http://www.tkb.org/Group.jsp?groupID=126

[28] "Profiles: Colombia's armed groups." BBC.com May 26, 2006. http://news.bbc.co.uk/2/hi/americas/4528631.stm

[29] "Group Profile: United Self-Defense Forces of Colombia."

[30] "Profiles: Colombia's armed groups."

demobilized members of violent crimes related to drug trafficking.[31] As prominent members of the AUC demobilize, they must divulge information on past criminal activity, at times incriminating high-ranking government officials.[32] The administration's integrity and credibility are in doubt as cabinet members and political allies are linked directly to AUC; and more than a dozen national lawmakers have been accused of illegal contact with AUC leaders.[33]

REDUCED VIOLENCE

According to the U.S. Department of State, violence in Colombia has declined substantially since President Uribe took office.[34] Attacks by armed groups in rural towns have dropped by 91 percent, homicides by 37 percent, kidnappings by 78 percent, terrorist attacks by 63 percent, and attacks on infrastructure 60 percent.[35] According to the Government of Colombia, kidnappings have also decreased.

At the same time, however, kidnappings and massacres by "criminal gangs"—as they are termed by the government—seem to be on the rise. These may be the next generation of paramilitaries, establishing relationships with elements of the FARC, ELN, and criminal organizations in the interests of the drug trade.[36] The rise of gangs reinforces the importance of implementing economic programs that can help prevent the rise of new armed groups.[37]

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[31] Forero, Juan. "Unionists' Murders Cloud Prospects for Colombia Trade Pact." Washington Post Foreign Service. April 10, 2007. http://www.washingtonpost.com/wp-dyn/content/article/2007/04/09/AR2007040901250_pf.html.

[32] Forero, Juan. "Colombia Unravels Government-Paramilitary Ties." Washington Post Foreign Service. March 20, 2007. http://www.washingtonpost.com/wp-dyn/content/article/ 2007/03/19/AR2007031901973_pf.html.

[33] Gerardo Reyes, "Possible Uribe-paramilitary link suggested," *Miami Herald*, June 15, 2007.

[34] Ibid.

[35] "Background Note: Colombia." U.S. Department of State. March 2007. http://www.state.gov/r/pa/ei/bgn/35754.htm

[36] "Colombia's New Armed Groups," International Crisis Group, Latin America Report No. 20, May 10, 2007.

[37] "Derechos humanos y DIH en Colombia." Presidencia de la Republica de Colombia, Oficina de Comunicaciones. March 2007. http://72.14.209.104/custom?q=cache:1KpsPYrU2qUJ:www.presidencia.gov.co/resultados/2007/victimas_7.pdf+Responsables+de+secuestros+2006&hl=es&ct=clnk&cd=1&gl=us&client=pub-0070781738361811

4. Private Sector Enabling Environment

This section reviews key indicators of the enabling environment for encouraging rapid and efficient growth of the private sector. Sound fiscal and monetary policies are essential for macroeconomic stability, which is a necessary though not sufficient condition for sustained growth. A dynamic market economy also depends on basic institutional foundations, including secure property rights, an effective system for enforcing contracts, and an efficient regulatory environment that does not impose undue barriers on business activities. Financial institutions play a major role in mobilizing and allocating saving, facilitating transactions, and creating instruments for risk management. Access to the global economy is another pillar of a good enabling environment because the external sector is a central source of potential markets, modern inputs, technology, and finance, as well as competitive pressure for improving efficiency and productivity. Equally important is development of the physical infrastructure to support production and trade. Finally, developing countries need to adapt and apply science and technology to attract efficient investment, improve competitiveness, and stimulate productivity.

FISCAL AND MONETARY POLICY

Since 1999, Colombia's economic policies have focused on fiscal reform, consolidation of public expenditures, and inflation reduction. An inflation-targeting framework adopted in 2000 lowered inflation to its lowest point in decades.[38] The inflation rate (a Millennium Challenge Account indicator) decreased steadily from 6.5 percent in 2003 to 4.5 percent in 2006, though the latest preliminary estimates show a slight increase to 5.5 percent (Figure 4-1).[39] That rate is lower than the LMI-LAC median of 7.1 percent, but above the 3.9 percent in Chile and Mexico.

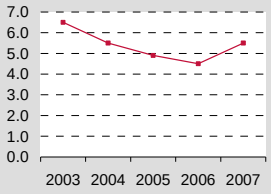
[38] International Monetary Fund (IMF), "Colombia: 2006 Article IV Consultation and the Third and Final Review under Stand-By Arrangement," Country Report no. 06/408, Washington DC, November 2006, p. 5.

[39] National statistics data differ from IMF estimated values in IMF Article IV, cited above.

Figure 4-1
Inflation Rate

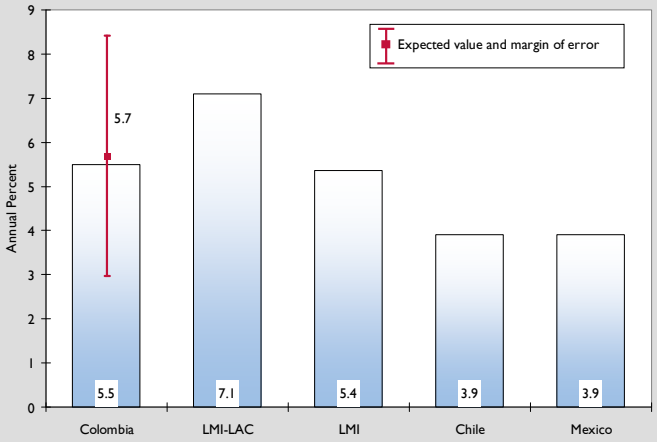
Inflation has been reduced to its lowest levels in decades.

Time Series



Year	Value
2003	6.5
2004	5.5
2005	4.9
2006	4.5
2007	5.5
Summary for 2001- 2005	
Five year average	5.4
Trend growth rate	-5.3

Comparisons to other countries, most recent year



Source: IMF, World Economic Outlook

CAS code: 21P4

Government expenditures are high compared to the regional benchmark, partially as a result of defense needs. Between 2002 and 2006, government expenditure averaged 32.3 percent of GDP, nearly double the LMI-LAC median (17.4 percent) and slightly above our regression benchmark for a country with similar characteristics (29.1 percent). Revenues, higher than regional benchmarks, increased slightly from 29.5 percent of GDP in 2002 to 31.7 percent in 2006. This enabled a reduction in the budget deficit from 3.6 percent of GDP in 2002 to 1.5 percent in 2006, comparable to the LMI-LAC median of 1.0 percent.

Colombia's Program Status with the IMF

On October 31, 2006 the IMF's Executive Board completed the third and final review of Colombia's performance under an 18-month SDR 405 million (about US$597.6 million) stand-by arrangement approved on April 29, 2005. Colombia did not draw funds under the arrangement. After three precautionary arrangements dating back to 1999, Colombia returned to the standard Article IV relationship with the Fund.

Colombia must still consolidate public finances, reduce public debt, and improve tax policy and administration. In its 2006 Article IV Consultation Review, the IMF recommended that Colombia adopt a more ambitious policy of fiscal tightening over the medium term to reduce public debt from 45 percent to less than 40 percent of GDP. The review also cites several studies showing that Colombia's inefficient and distortionary tax system discourages investment, employment, and financial intermediation. The IMF underscored the need for crucial reforms to limit growth in transfers from the central government to local and regional governments.[40] Programs that support tax reform and stronger fiscal management are a priority in Colombia.

[40] IMF, "Colombia: 2006 Article IV Consultation and the Third and Final Review under Stand-By Arrangement," Country Report no. 06/408, Washington DC, November 2006.

BUSINESS ENVIRONMENT

Institutional barriers to doing business, including corruption in government, are critical determinants of private sector development and prospects for sustainable growth. Colombia's business environment shows mixed performance. Some indicators have improved slightly, reflecting new government policies, while others have worsened. In 2006, Colombia ranked 83 out of 178 economies in the World Bank's Ease of Doing Business index, which averages micro-level measures of the business environment. In 2007, it rose to 66—above the median for LMI-LAC economies (103) and the global LMI median (104), but well below Mexico (44) and Chile (33).

Colombia appears to score lower on indicators that measure the amount of time required for various business activities and those that measure the number of procedures necessary for a transaction. One exception is the number of days to register property. It takes only 23 days to register property in Colombia, less than one-third the number of days it takes in Mexico (74), about half as many days as the LMI-LAC median (45.3), less than half the LMI median (49.5), and fewer days than in Chile (31).[41]

The cost of starting a business in Colombia declined from 28.7 percent of GNI per capita in 2003 to 19.3 percent in 2007, far better than the LMI-LAC median of 62.0 percent but not as inexpensive as in Mexico (13.3 percent) or Chile (8.6 percent).

Colombia scores poorly on indicators relating to corruption, the rule of law, and government effectiveness, all of which use a scale of -2.5 (poor) to 2.5 (excellent). In 2006, it scored -0.2 on the Control of Corruption Index, better than the LMI-LAC median (-0.6) and Mexico (-0.3) but far worse than Chile (1.3).[42] Widespread corruption undermines Colombia's micro-reforms because the implementation of regulations is often arbitrary and inconsistent among regions.

The Rule of Law Index gauges the effectiveness of the legal system and the rule of law. In 2006, Colombia's score of -0.6 was nearly the same as the LMI-LAC median (-0.7), slightly worse than Mexico (-0.5), and much worse than Chile (1.2). The Regulatory Quality Index gauges the regulatory environment and anti-market practices. Colombia scored 0.1, somewhat better than the LMI-LAC median (-0.4) but worse than both Mexico (0.4) and Chile (1.4). Likewise, on the Government Effectiveness estimate for 2006, Colombia scored 0.0, behind Mexico (0.2) and Chile (1.2).

The total tax payable by business as percentage of operating profit is another problematic indicator for Colombia. In 2007, 82.4 percent of a business's operating profit was used to pay taxes. This is extremely high compared to all benchmarks: 41.5 percent in LMI-LAC countries, 51.2 percent in Mexico, and 25.9 percent in Chile. Tax code reform is sorely needed to make the tax system conducive to business growth.

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[41] Time to start a business is an MCA country eligibility indicator.

[42] In contrast, the Corruption Perception Index uses a scale of 1 (most corrupt) to 10 (least corrupt).

These indicators convey a consistent message: institutional constraints are impairing private sector development in Colombia, and the scope for improving Colombia's business environment is ample. The government and donors should focus on programs that control corruption and increase transparency, facilitate tax reform, and promote institutional, legal, and regulatory reform.

FINANCIAL SECTOR

A sound and efficient financial sector is a key to mobilizing savings, fostering productive investment, and improving risk management. Colombia's financial sector was on the brink of a systemic crisis during the 1998–1999 economic recession that coincided with high interest rates. The national authorities intervened, nationalizing some banks and liquidating others. The sector was recovering by 2001, and before 2007, the government had divested itself of all but one state bank.[43] Colombia's financial sector still faces impediments that raise the cost of capital and discourage nonbank financing, such as stamp and financial transaction taxes, uncertain creditor rights, and an outdated regulatory framework.[44]

The performance of Colombia's financial sector is mixed and the scope for improvement is ample. For example, Colombia's banking system is underdeveloped. Its ratio of money supply to GDP, a principal indicator of monetization and banking activity, was 29.6 percent in 2005, lower than the LMI-LAC median (37.3 percent) and the LMI median (38.4 percent), and far below the expected value for a country with similar characteristics (47.7 percent) and Chile's 49.9 percent (Figure 4-2). There are, however, signs of improvement. For instance, domestic lending to the private sector increased from 22.9 of GDP in 2003 to 23.9 percent in 2005, close to the LMI-LAC median of 25.8 percent and above Mexico's 18.2 percent. Still, this is a far cry from Chile's 82.3 percent.

The spread between average bank lending and deposit rates and the real interest rate on loans indicates inefficiencies and risks in financial intermediation. Colombia's interest rate spread averaged 7.6 percentage points during 2001-2005, which compares well with the LMI-LAC median of 9.9 but less so with Mexico's 6.2 and Chile's 2.7 points. Similarly, the real interest rate (bank average lending rate after adjusting for inflation) declined from 13.6 percent in 2001 to 7.9 percent in 2005, below the LMI-LAC median of 11.3 percent, but still high when compared to Mexico's 4.0 percent and Chile's 1.8 percent.

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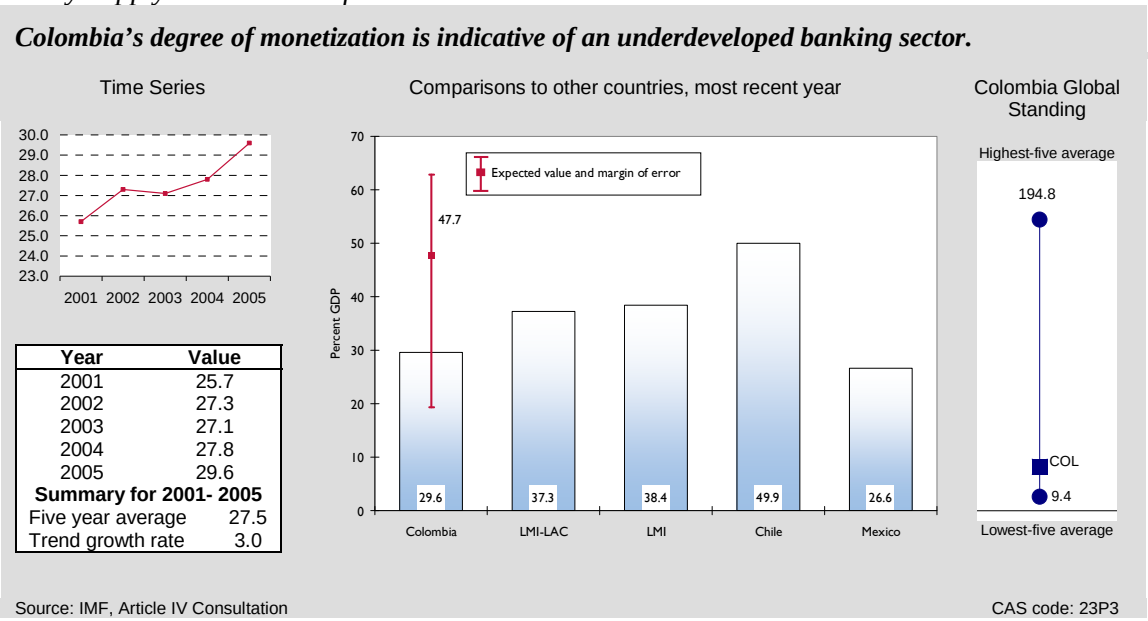
[43] EIU, Colombia Country Profile, p. 37.

[44] IMF, Op. Cit. p. 23.

Figure 4-2
Money Supply as a Percent of GDP



Colombia's stock market is developing quickly. The capitalization rate as a percentage of GDP has more than doubled, climbing from 16.1 percent in 2001 to 37.6 percent in 2005. The latter exceeds the LMI-LAC median of 10.4 percent, and Mexico's 31.1 percent, but is well below Chile's 118.4 percent. Colombia's capital market, however, suffers from low savings ratios and structural deterrents to long-term financing. Foreign lenders are the main source of long-term corporate and project financing, and local commercial banks rarely provide loans with a maturity in excess of three years. Seventy-five percent of stock market transactions are of public debt instruments.[45] A securities market law to strengthen clearing and settlement procedures, market integrity, and corporate governance was approved in 2005.[46]

The World Bank's index of Legal Rights of Borrowers and Lenders gauges institutional support for financial sector development on a scale of 0 (poor) to 10 (excellent), with 6 marking the point at which performance is considered good. In 2006, Colombia scored 2.0, on par with regional benchmarks (LMI-LAC 3.0, Mexico 3.0, and Chile 4.0). None of these scores signals good performance as the entire region's legal framework should be improved to enable expanded access to credit.

Better access to credit and lower financing costs are vital for strong business and investment growth. The data and analysis presented here suggest that interventions to strengthen the financial sector warrant serious government and donor consideration.

[45] EIU, Colombia Country Profile, p. 37.

[46] IMF, "Colombia: 2006 Article IV Consultation and the Third and Final Review under Stand-By Arrangement", Country Report no. 06/408, Washington DC, November 2006, p. 6

EXTERNAL SECTOR

Fundamental changes in international commerce and finance, including lower transport costs, advances in telecommunications technology, and lower policy barriers, have fueled a rapid increase in global integration in the past 25 years. The international flow of goods and services, capital, technology, ideas, and people offers great opportunities for Colombia to boost growth and reduce poverty by stimulating productivity and efficiency, providing access to new markets and ideas, and expanding the range of consumer choice. At the same time, globalization creates new challenges, including the need for reforms to take full advantage of international markets and cost-effective approaches to cope with the resulting adjustment costs and regional imbalances.

International Trade and Current Account Balance

Colombia is not strongly integrated in international markets. The ratio of trade—exports plus imports of goods and services—to GDP averaged 42.1 percent from 2001 to 2005, a ratio much lower than the LMI-LAC median (65.2 percent), Mexico's 61.4 percent, and Chile's 75.4 percent. The trade balance shifted to a surplus during the 1999 recession and currency devaluation. Rising oil and commodity prices have enabled Colombia to sustain a surplus, but that surplus remains highly vulnerable to fluctuating prices as oil, coal, and petroleum products account for 45 percent of export revenues. [47]

Further, Colombia's export growth in goods and services of 4.6 percent in 2005 is lower than Chile's 6.1 percent, Mexico's 6.9 percent, and the LMI-LAC median of 6.6 percent. Deficient infrastructure, a poor business environment, and anti-drug trafficking measures make it difficult to trade across Colombia's borders. Indeed, in 2007 the World Bank ranked Colombia 105 out of 175 countries for ease of trading across borders. All regional benchmarks fared better: LMI-LAC median (97), Mexico (76), and Chile (43).

Colombia's current account balance tends to fluctuate with the trade balance. As such, it has fluctuated slightly from a deficit of 1.7 percent of GDP in 2002 to a deficit of 1.6 percent in 2006. The current account components of goods, services, income, and transfers show some diversity. The balance on trade in services and incomes remained in deficit, while the balance in transfers is consistently in surplus.[48] Indeed, over the past five years remittances have contributed significantly to this surplus. Remittance receipts rose from 13.4 percent of exports in 2001 to 19.4 percent in 2003, declining through 2005 to 13.6 percent. This reflects a large export of labor services and the lack of attractive domestic employment opportunities.[49]

Colombia's low level of trade is due in part to restrictive trade policies. On the Heritage Foundation's 2007 Trade policy index, Colombia scored 61.4 percent (on a scale of 1 for poor to

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[47] EIU, Op. Cit., p. 41.

[48] EIU, Op. Cit., p. 41.

[49] Large remittance inflows can complicate monetary policy by flooding an economy with liquidity and can lead to an appreciation of the real effective exchange rate to the disadvantage of domestic producers. There is no evidence that this is happening in Colombia.

100 for excellent), lower than Chile's 72.4 percent and Mexico's 72.6 percent.[50] Colombia's score reflects the country's high weighted average tariff rate (9.3 percent), bureaucracy, lack of transparency, import bans and restrictions, price bands, poor enforcement and protection of intellectual property rights, and corruption.

The data and analysis presented here suggest that Colombia could benefit from programs to boost trade and promote export growth and diversification, link private sector development to infrastructure investments, and remove trade restrictions. Interventions to enhance the growth and developmental impact of remittances (e.g., reduced fees, efficient payment circuits, programs to attract more funds to investment) could also be beneficial.

Foreign Investment, External Assistance, and International Reserves

Foreign aid aimed at curbing violence and stopping the production of illegal drugs has played an increasingly important role in Colombia. Aid as a percentage of GNI rose from 0.5 percent in 2001 to 1.1 percent in 2003, then dropped to 0.4 percent during 2005. The latter is lower than the median LMI-LAC value of 0.8 percent but higher than Mexico's 0 percent and Chile's 0.1 percent.

Foreign direct investment inflows for 2006 stood at 2.9 percent of GDP, slightly less than the LMI-LAC median (4.0 percent) and Chile (5.8 percent), but slightly more than flows into Mexico (2.4 percent in 2003) (Figure 4-3). This performance in attracting FDI is surprising in view of the insecurity brought on by civil conflict.

In 2005, Colombia's international reserves were equivalent to 5.7 months of imports, more than the minimum 3 months recommended, the LMI-LAC median of 3.6 months, Chile's 4.0 months, and Mexico's 3.4 months. The higher level of reserves provides some insurance for Colombia's high debt service ratio and may be a strategic resource if Colombia has difficulty solving a balance of payments or financial crisis.

Also in 2005, Colombia's present value of external debt as a percentage of GNI was 42.9 percent, which is not high by absolute or benchmark standards.[51] The corresponding median for LMI-LAC is 46.9 percent and for Chile is 51.7 percent. Mexico had a much lower present value of external debt in 2005—26.1 percent of GNI. But between 2001 and 2005, Colombia's debt service obligations as a percentage of exports rose from 26.4 percent of exports to 33.1 percent in 2003 and then dropped to 25.1 percent in 2005. This is very high compared to Chile (4.0 percent), Mexico (9.4 percent), and the LMI-LAC median (8.5 percent). The high level and rising trend of Colombia's debt service obligation merits close attention.

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[50] The Heritage Foundation revised its methodology in 2007 for the Trade Policy Index, which is an MCA eligibility criteria indicator. Instead of the previous scale of 1 (low levels of protectionism) to 5 (very high levels), the index is measured on a scale from 0 to 100% with 100% meaning complete trade freedom (i.e. absence of tariff and non-tariff barriers). Scores from previous years were converted to this scale. Thus, a previous score of 5 became 0%; 4 became 25%; 3 -50%; 2-75%, and 1-100%.

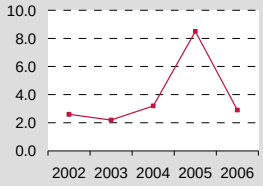
[51] Public external debt was US$24.1 billion (20% of GDP) at the end of 2005 according to the Central Bank of Colombia.

To increase FDI, reduce risk to investors, retire debt, strengthen the balance of payments, and build confidence in the economy, Colombia needs to implement prudent policies and improve economic management.

Figure 4-3
Foreign Direct Investment

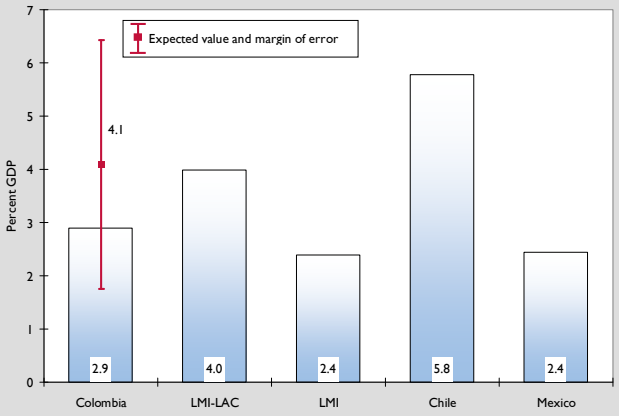
Colombia remains unable to attract large amounts of foreign investment.

Time Series

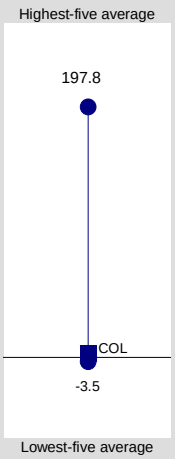


Year	Value
2002	2.6
2003	2.2
2004	3.2
2005	8.5
2006	2.9
Summary for 2002- 2006	
Five year average	3.9
Trend growth rate	15.4

Comparisons to other countries, most recent year



Colombia Global Standing



Source: IMF, Article IV Consultation Review

CAS code: 24P5

ECONOMIC INFRASTRUCTURE

Better physical infrastructure—transportation, communications, and information technology networks—will enhance Colombia's long-term growth potential. Indeed, increased business activity requires a parallel expansion of airports, roads, rail lines, power lines, and other support services for the private sector. Colombia consistently scores below Mexico and Chile on physical infrastructure, but compared to its LMI peers in Latin America it has advanced infrastructure—and is above average in telecommunications, electricity, and air transport. Still, there is plenty of room for improvement. Moreover, improving the infrastructure is critical if Colombia is to fully benefit from the upcoming free trade agreement with the United States.

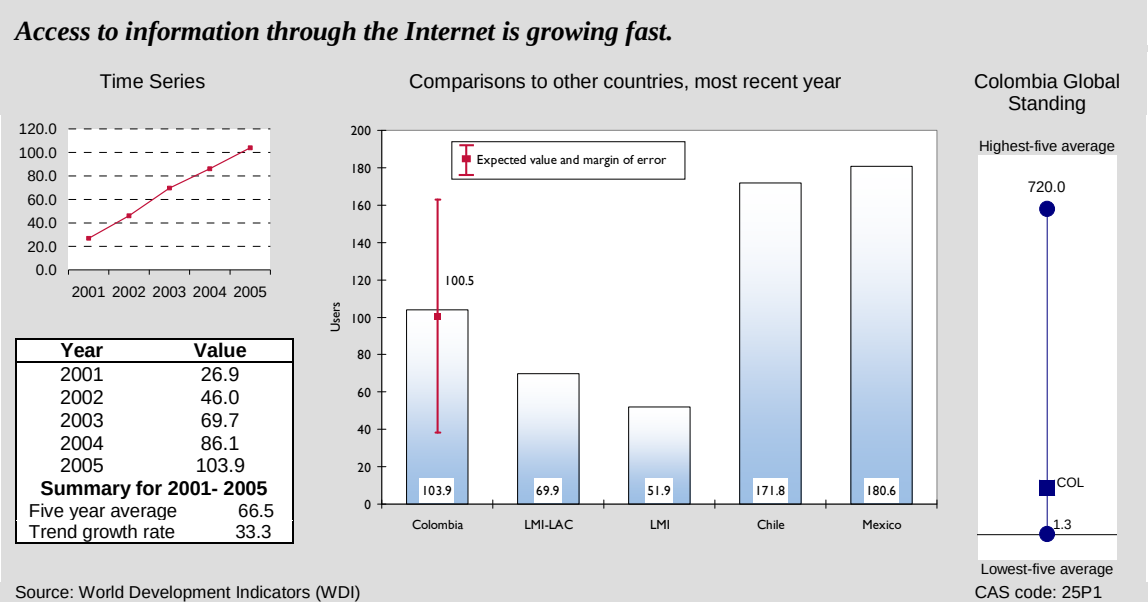
The broadest indicator of infrastructure quality is the World Economic Forum's index based on executive perceptions on a scale of 1 (poor) and 7 (excellent). In 2007, Colombia scored 2.8, equal to the LMI-LAC country median but below Mexico's 3.4 and Chile's 5.0. On indexes for railroads and ports, Colombia's scores are in line with only the LMI-LAC median. For port infrastructure quality, it scored a 2.7, which is comparable to the LMI-LAC median (2.8), but below Mexico (3.3) and Chile (4.8). For rail development, it scored 1.4, which is on par with the LMI-LAC median (1.3), but again behind Mexico (2.2) and Chile (2.5) (low scores all). Colombia's national railway system, formerly the main mode of freight transport, has long been neglected in favor of road development. Road travel is now the main transport mode for both passengers and cargo (almost 54 percent of cargo is transported by road). But 85 percent of Colombia's 115,000 kilometers of roads remain unpaved, creating difficulties in remote areas, especially after heavy rains. Previous plans for road upgrades have not been executed, but some

projects are expected to begin within the current government's term.[52] Violence and insecurity have worsened road deficiencies.

Colombia performs better on air transport infrastructure, scoring a 4.7, which compares favorably to the LMI-LAC median of 4.2 and Mexico's 4.8, but falls below Chile's 5.7. Indeed, with more than 74 airports Colombia has extensive air services. Given the country's terrain and internal security problems, air travel is the favored means of transport. Colombia also scores 4.7 on the quality of electricity supply, above the LMI-LAC median of 3.7 and Mexico's 4.1, but lower than Chile's 5.6.

Telecommunications infrastructure indicators improved from 2000–2005. In 2005, there were 647.6 telephone lines (including mobile phones) per 1,000 people, up from 248.4 lines in 2001. This density exceeds the LMI-LAC median of 474.4 lines, but remains below the density in Mexico (649.7 lines) and Chile (859.5 lines). Internet use is also rising quickly, up from 26.9 users per 1,000 people in 2001 to 103.9 in 2005.[53] Not yet at the levels in Mexico (180.6) and Chile (171.8), Colombia is well above the LMI-LAC median (69.9) (Figure 4-4).

Figure 4-4
Internet Users per 1,000 people



SCIENCE AND TECHNOLOGY

Science and technology are vital to a dynamic business environment and a driving force behind productivity and competitiveness. Transformational development depends on acquiring and adapting technology from the global economy. Lack of capacity to access and use technology prevents an economy from leveraging the benefits of globalization. Unfortunately, very few

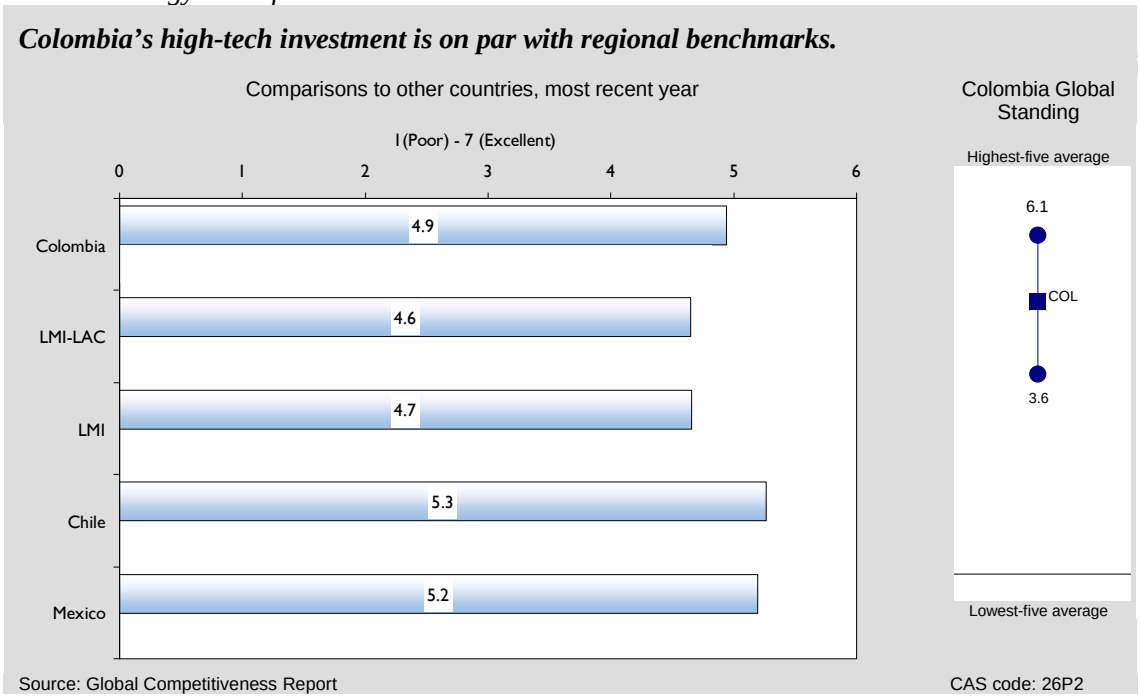
[52] EIU, Op. Cit., p. 18.

[53] Internet users per 1,000 people is an MDG indicator.

international indicators can be used to judge performance in this area for low- and lower-middle-income countries, though indicators are up to date for developing countries. Colombia's performance in science and technology has been encouraging, if not steadily so.

The FDI Technology Transfer Index measures executives' perceptions of the quality of FDI entering a country as a source of new technology on a scale of 1 (poor) to 7 (excellent). In 2007, Colombia scored 4.9, a decline from the previous year's 5.0. This lower score is still above the LMI-LAC median of 4.6, but means that Colombia is no longer on par with Chile (5.3) or Mexico (5.2) (Figure 4-5).

Figure 4-5
FDI Technology Transfer Index



Similarly, Colombia's score for the availability of scientists and engineers declined slightly from 4.2 in 2006 to 4.1 in 2007. The score is superior to the 2007 LMI-LAC median of 3.4 as well as Mexico's 3.8, but still behind Chile's 4.9.[54] Between 1999 and 2002, the number of science and technology articles published per million people surged in Colombia, rising from 254 to 353, slightly higher than the LMI-LAC median. Chile and Mexico, however, far outpace Colombia here. In early 2003 (latest year of data available), 3,747 articles per million people were published in Mexico, and 1,500 articles in Chile.

Colombia's expenditure for research and development shows deficiencies in resources diverted to innovation. R&D expenditures as a percentage of GDP declined from 0.3 percent to 0.2 percent in

[54] Availability of science and engineers measures executive's perceptions on a scale from 1 (nonexistent or rare) to 7 (widely available).

1997 and remained there through 2001 (latest year of data). This was double the LMI-LAC median, but significantly less than expenditures in Mexico (0.4) and Chile (0.6).

5. Pro-Poor Growth Environment

Rapid growth is the most powerful and dependable instrument for poverty reduction, but the link from growth to poverty reduction is not mechanical. In some circumstances, income growth for poor households exceeds the overall rise in per capita income, in others the poor are left far behind. A pro-poor growth environment stems from policies and institutions that improve opportunities and capabilities for the poor while reducing their vulnerabilities. Pro-poor growth is associated with investment in primary health and education, the creation of jobs and income opportunities, the development of skills, microfinance, agricultural development, and gender equality—all critical to Colombia's recovery and long-term development. This section focuses on four of these issues: health, education, employment and the workforce, and agricultural development.

HEALTH

The provision of basic health service is a major form of human capital investment and a significant determinant of growth and poverty reduction. Although health programs do not fall under the EGAT bureau, an understanding of health conditions can influence the design of economic growth interventions.

Life expectancy at birth is regarded as the best overall indicator of the health of a population. In 2005, life expectancy at birth in Colombia was 72.8 years, higher than the LMI-LAC median of 70.5 years but lower than Mexico's 75.4 years and Chile's 78.2 years. In 2004, 93.0 percent of Colombians had access to clean water and 86.0 percent had access to improved sanitation. The LMI-LAC medians were 89.0 percent and 79.0 percent. However, disparities in access between urban and rural populations are significant.[55]

Official 2005 estimates put HIV prevalence at 0.6 percent in Colombia,[56] which is equal to the LMI-LAC median but double Chile's and Mexico's prevalence rate of 0.3 percent. Maternal mortality rate per 100,000 live births—a proxy indicator for the quality of basic healthcare—was 130 in 2000 (latest year of data). While below the LMI-LAC median rate of 150, it is high by

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[55] The EIU Country Profile for Colombia 2006 states that, "in the rural areas… only 50.0 percent of households have adequate water supplies and only about 25.0 percent have sanitation, compared with 97.0 percent and 92.0 percent respectively in the main cities." (16).

[56] HIV Insite, Colombia, updated September 2006, http://hivinsite.ucsf.edu/global?page=cr05-co-00

absolute standards and in comparison to rates in Chile (31) and Mexico (83). Colombia's child immunization rate was 88.0 percent in 2005, similar to the LMI-LAC median of 89.5 but below rates in Chile (90.5) and Mexico (97.0) percent.

Expenditure on public health in Colombia averaged 6.4 percent of GDP for the five years leading to 2004, high compared to benchmarks. Chile allocated only 2.9 percent of GDP to public health and Mexico 3.0 percent in 2004. Despite the high levels of expenditure, Colombia's healthcare system does not perform as well as systems in Mexico or Chile. The system's resources are strained by the misallocation of funds, the high cost of supporting 1.8 million internally displaced people, and the logistical costs of providing care in areas of conflict and limited infrastructure.[57] In addition, employees and employers both contribute to healthcare plans but evasion is widespread (only two-thirds of all contributions due are collected).

A healthy population is the backbone of a productive workforce. Colombia must improve its healthcare system through new policy initiatives that can help decrease the maternal mortality rate, make rural healthcare services more effective, improve the management of healthcare funds, and improve contribution compliance by employers and employees.

EDUCATION

Colombia's performance on education indicators is mixed. Primary and secondary school enrollment rates lag behind rates in comparator economies even though government expenditure on primary education as a percentage of the GDP is higher in Colombia than in comparators.

At 88.5 percent in 2006, Colombia's net primary enrollment rate is below regional benchmarks (LMI-LAC median of 92.5 percent and Mexico 98.0 percent), but very close to Chile's surprisingly low 89.7 percent. [58] Persistence to grade 5, however, rose from 60.9 percent in 2000 to 83.2 percent in 2004,[59] a dramatic improvement putting Colombia almost 10 percentage points above the LMI-LAC median (73.8 percent), though still below Mexico's 92.6 percent and Chile's 99.0 percent (Figure 5-1). Likewise, the youth literacy rate of 98.0 percent (2006) compares favorably to the LMI-LAC median of 95.7 percent, and is on par with Mexico's 97.6 percent and Chile's 99.0 percent.

Colombia's net secondary education enrollment rate is equivalent to the LMI-LAC country median of 54.9 percent (2004), but below Mexico's 63.8 percent (2004). Its tertiary enrollment rate was 28.3 percent in 2005, better than the LMI-LAC median of 19.1 (2004) and Mexico's 23.4 percent (2004), but far behind Chile's 43.0 percent (2004).

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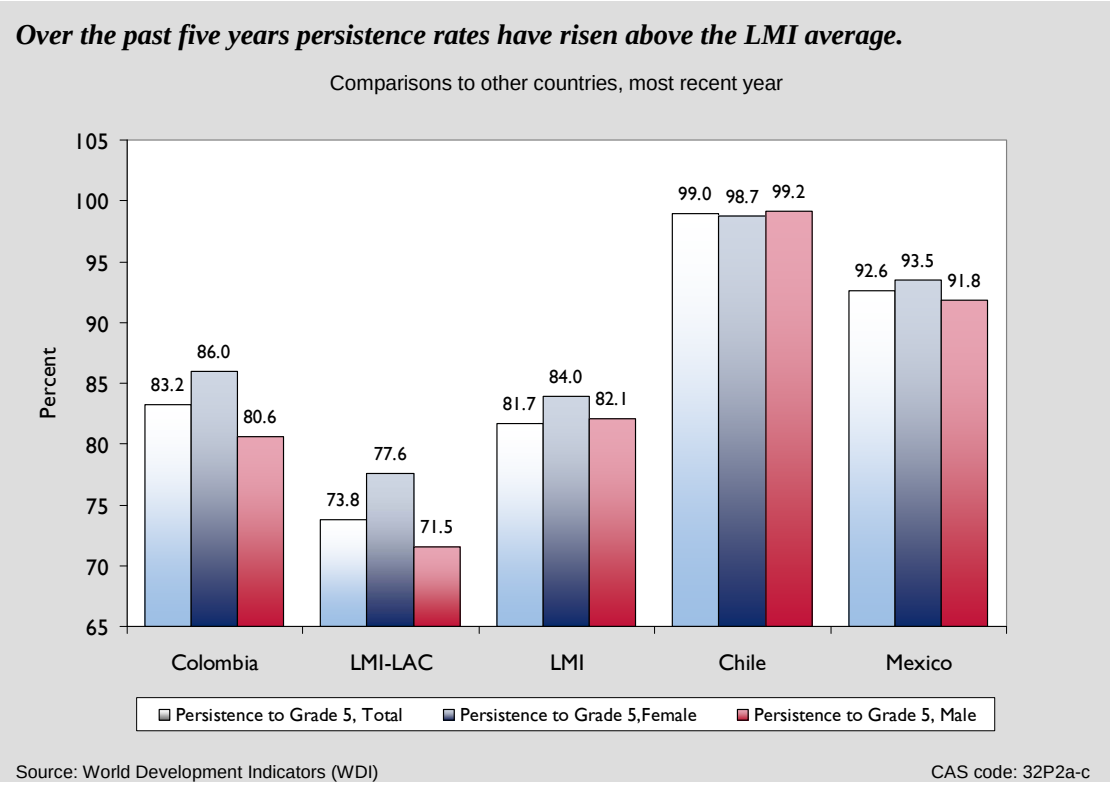
[57] 2006 International Monetary Fund, Article IV Report.

[58] The net primary enrollment rate is an MDG indicator; it measures the percentage of primary school age children who are enrolled.

[59] Persistence to grade 5 is an MDG indicator.

Figure 5-1
Persistence to Grade 5



Colombia's expenditure per student as a percentage of GDP per capita at the primary and secondary levels is high when compared to regional benchmarks.[60] In 2005, expenditure at the primary level was 19.5 percent, much higher than the LMI-LAC median of 12.4 percent, Mexico's 15.5 percent, and Chile's 12.8 percent. Expenditure at the secondary level was similar: 18.4 percent of GDP per capita in 2005, again exceeding the LMI-LAC median of 12.9, Chile's 14.2 percent (2004) and Mexico's 16.8 percent (2003).

Aggregate figures on education coverage, however, mask wide divergence in urban and rural areas as the educational system is highly centralized and many teachers, particularly in rural areas, are poorly qualified.[61] A priority for the government and donors is to increase enrollment in primary and secondary school.

EMPLOYMENT AND WORKFORCE

Colombia's workforce was estimated to be 22.3 million in 2005. The workforce is growing on average 2.7 percent per year, which means the economy has to absorb approximately 600,000 workers each year and even more to reduce unemployment. Though unemployment in Colombia declined from 15.7 percent in 2001 to 12.0 percent in 2006 (Figure 5-2), it is still high compared to the LMI-LAC median of 8.4 percent, and to Chile's 7.8 percent (2004 latest year of data). High

[60] Education expenditure as a percent of GDP is an MCA indicator.

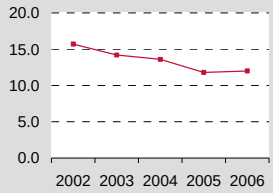
[61] EIU, Colombia Country Profile, August 2006, p. 15.

underemployment, estimated at 35.4 percent and an estimated 1.8 to 3.8 million internally displaced persons, further complicates Colombia's employment market.[62]

Figure 5-2
Unemployment

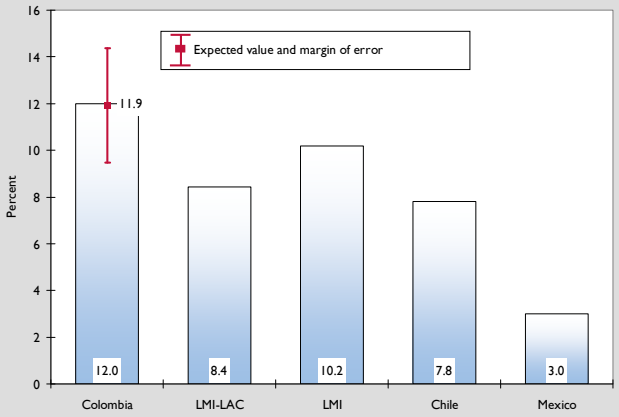
Unemployment in Colombia is high in comparison to the LMI-LAC and global standards.

Time Series

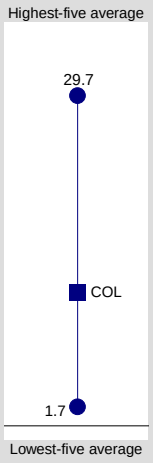


Year	Value
2002	15.7
2003	14.2
2004	13.6
2005	11.8
2006	12.0
Summary for 2002- 2006	
Five year average	13.5
Trend growth rate	-7.2

Comparisons to other countries, most recent year



Colombia Global Standing



Source: World Development Indicators (WDI)

CAS code: 33P4

Unemployment is high, but labor laws and regulations do not appear to be critical impediments to job creation. In fact, the World Bank's employment rigidity index gives Colombia a score of 27 on a scale of 0 to 100 (least to most rigid) better than the LMI-LAC median of 28.0 and Mexico's 48.0, and comparable to Chile's 24. More jobs will have to come from sustained economic growth, better and more extensive education and training, development of an environment attractive to investors, and more opportunities for productive self-employment.

Colombia's labor force participation rate of 76.7 percent is above the LMI-LAC country median of 70.1 percent and the rates for Mexico (64.4 percent) and Chile (59.6 percent). However, as stated in the gender section, women's participation in the labor force is 67.2 percent. As more and more educated young women seek work, demand for jobs will rise even more as will the need for programs that open and improve opportunities for women.

AGRICULTURE

Colombia's agriculture sector not only supplies food, raw material for industry, and export earnings, but also employs a good number of Colombians, more than 27 percent of whom live in rural areas. The sector accounted for 22.4 percent of total employment and more than 12.5 percent of GDP in 2005. Sector productivity is good when compared to benchmarks, but export growth and value-added growth have been volatile.

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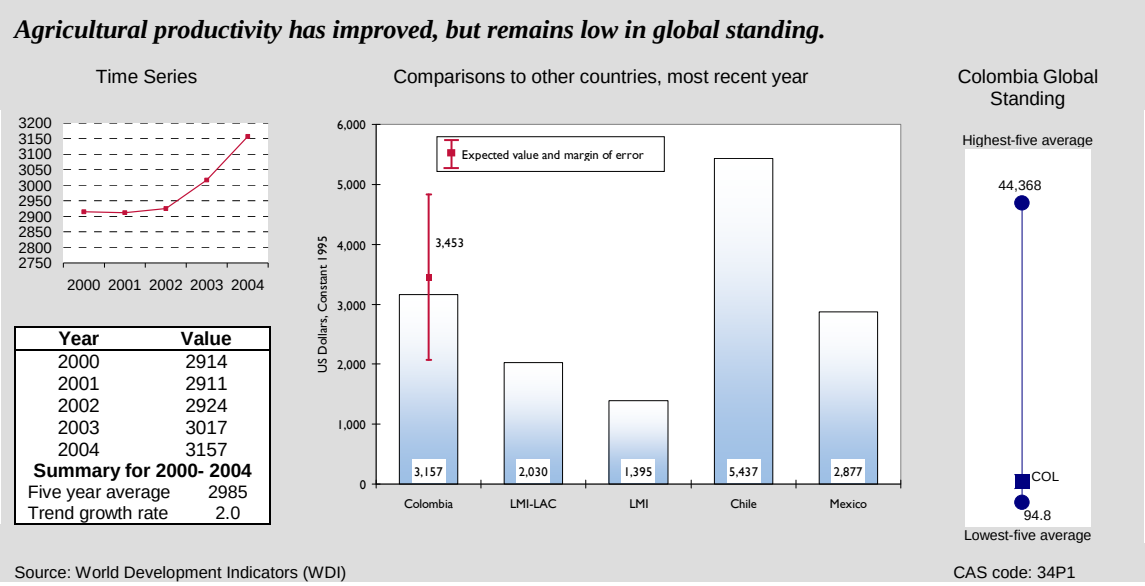
[62] Departamento Administrativo Nacional de Estadísitica (DANE). The figure corresponds to the third quarter of 2006; International Displacement Monitoring Centre, Norwegian Refugee Council, April 2007.

Value-added per agricultural worker in 2004 was US$3,157, which is almost 35 percent more than the LMI-LAC median of US$2,030 and above Mexico's US$2,876. Sector productivity rose more than 7 percent from 1999 to 2004 despite internal migration and conflict. At 3,613 kilograms per hectare in 2005, Colombia's cereal yields were higher than in LMI-LAC median (2,554) and in Mexico (2,835). Those yields were also approximately 8 percent greater than in 2000, confirming the productivity growth indicated by data on value-added per worker.

Growth in agriculture value-added measures the extent to which agricultural activity is increasing. Colombian agriculture value-added growth was 2.1 percent in 2005, slightly lower than the LMI-LAC median of 2.6 percent and much lower than Chile's 3.8 percent (Figure 5-3). The five-year average for Colombia's agriculture value-added growth was 1.8 percent, which is nearly equal to its 2006 population growth of 1.7 percent.[63]

Figure 5-3
Agriculture Value Added per Worker



Growth in the export of legal agricultural products from Colombia has been extremely volatile in the past five years. Export growth fell from 11.1 percent in 2002 to -0.7 percent in 2004, then surged to 31.5 percent in 2005. This surge made Colombia's growth rate much higher than the LMI-LAC median of 10.2 percent, Mexico's 7.8 percent, and Chile's 1.6 percent. Some reasons for volatility include deficient infrastructure, lack of investment, and a dismantling of protective regulations that makes the sector more vulnerable to world market conditions.

Though Colombia's agriculture sector is productive, it has not kept pace with international competition, it is not as efficient as the other sectors of the economy, and it does not provide enough legal employment for rural youth.[64] This has contributed to high rural-to-urban migration

[63] 2006 IMF Article IV, p. 14.

[64] Thirty percent of Colombians are estimated to be under the age of 15.

as well as emigration. According to the official data, the urban population as a proportion of the total rose from 70 percent in 1990 to 75 percent in 2005.[65] This reflects trends discussed in the demography section as well as the effects of guerilla and paramilitary violence that forces families from rural areas.

Colombia will need to implement crop diversification schemes, improve infrastructure, promote rural non-farm income earning opportunities, increase access to finance, and improve land tenure systems. According to the 2007 Global Competitiveness Report, which measures executives' perceptions of the costs of agricultural policy on a scale of 1 to 7, Colombia scored a low 3.7, suggesting ample scope for improving sector policies. At the same time, however, investment and job creation outside the sector are necessary to draw Colombians into more productive work with better prospects for sustainable growth (see discussion in the Economic Structure section).

[65] EIU Country Profile 2005, p. 14.

Appendix A. CAS Methodology

CRITERIA FOR SELECTING INDICATORS

The economic performance evaluation in this report balances the need for broad coverage and diagnostic value with the requirement of brevity and clarity. The analysis covers 15 economic growth–related topics, and just over 100 variables. For the sake of brevity, the write-up in the text highlights issues for which the "dashboard lights" appear to be signaling problems, which suggest possible priorities for USAID intervention. The accompanying table provides a full list of indicators examined for this report. The data supplement in Appendix B contains the complete data set for Colombia including data for the benchmark comparisons, and technical notes for every indicator.

For each topic, the analysis begins with a screening of *primary performance indicators*. These Level I indicators are selected to answer the question: Is the country performing well or not in this area? The set of primary indicators also includes descriptive variables such as per capita income, the poverty head count, and the age dependency rate.

When Level I indicators suggest weak performance, we review a limited set of *diagnostic supporting indicators*. These Level II indicators provide additional details, or shed light on *why* the primary indicators may be weak. For example, if economic growth is poor, one can examine data on investment and productivity as diagnostic indicators. If a country performs poorly on educational achievement, as measured by the youth literacy rate, one can examine determinants such as expenditure on primary education, and the pupil–teacher ratio.[1]

Indicators have been selected on the basis of the following criteria. Each must be accessible through USAID's Economic and Social Database or convenient public sources, particularly on the Internet. They should be available for a large number of countries, including most USAID client states, to support the benchmarking analysis. The data should be sufficiently timely to support an assessment of country performance that is suitable for strategic planning purposes. Data quality is another consideration. For example, subjective survey responses are used only when actual measurements are not available. Aside from a few descriptive variables, the indicators must also be useful for diagnostic purposes. Preference is given to measures that are widely used, such as Millennium Development Goal indicators, or evaluation data used by the Millennium Challenge Corporation. Finally, an effort has been made to minimize redundancy. If two indicators provide similar information, preference is given to one that is simplest to understand, or most widely used. For example, both the Gini coefficient and the share of income

[1] Deeper analysis of the topic using more detailed data (Level III) is beyond the scope of this series.

accruing to the poorest 20 percent of households can be used to gauge income inequality. We use the income share because it is simpler and more sensitive to changes.

BENCHMARKING METHODOLOGY

Comparative benchmarking is the main tool used to evaluate each indicator. The analysis draws on several criteria, rather than a single mechanical rule. The starting point is a comparison of performance in Colombia relative to the average for countries in the same income group and region —in this case, lower middle-income countries in Latin America.[2] For added perspective, three other comparisons are examined: (1) the global average for this income group; (2) respective values for two comparator countries (Chile and Mexico); and (3) the average for the five best- and five worst-performing countries globally. Most comparisons are framed in terms of values for the latest year of data from available sources. For the reference group benchmarks, however, we use an average of the latest three years for each country to ensure an adequate subsample size and to smooth out short-term volatility. Five-year trends are also taken into account when this information sheds light on the performance assessment.[3]

For selected variables, a second source of benchmark values uses statistical regression analysis to establish an expected value for the indicator, controlling for income and regional effects.[4] This approach has three advantages. First, the benchmark is customized to Colombia's level of income. Second, the comparison does not depend on the exact choice of reference group. Third, the methodology allows the quantification of the margin of error and establishment of a "normal band" for a country with Colombia's characteristics. An observed value falling outside this band on the side of poor performance signals a serious problem.[5]

Finally, where relevant, Colombia's performance is weighed against absolute standards. For example, a corruption perception index below 3.0 is a sign of serious economic governance problems, regardless of the regional comparisons or regression result.

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[2] Income groups as defined by the latest World Bank World Development Indicators. To compute group averages, we use the median to avoid distortion by outliers.

[3] The five-year trends are computed by fitting a log-linear regression line through the data points. The alternative of computing average growth from the end points produces aberrant results when one or both of those points diverges from the underlying trend.

[4] This is a cross-sectional OLS regression using data for all developing countries. For any indicator, Y, the regression equation takes the form: Y (or ln Y, as relevant) = a + b * ln PCI + c * Region + error – where PCI is per capita income in PPP$, and Region is a set of 0-1 dummy variables indicating the region in which each country is located. When estimates are obtained for the parameters a, b, and c, the predicted value for Colombia is computed by plugging in Colombia-specific values for PCI and Region. Where applicable, the regression also controls for population size and petroleum exports (as a percentage of GDP).

[5] This report uses a margin of error of 0.66 times the standard error of estimate (adjusted for heteroskedasticity, where appropriate). With this value, 25 percent of the observations should fall outside the normal range on the side of poor performance (and 25 percent on the side of good performance). Some regressions produce a very large standard error, giving a "normal band" that is too wide to provide a discerning test of good or bad performance.

STANDARD CAS INDICATORS

Indicator	Level	MDG, MCA, or EcGov[a]
Statistical Capacity Indicator	I	EcGov
Growth Performance		
Per capita GDP, in purchasing power parity dollars	I	
Per capita GDP, in current US dollars	I	
Real GDP growth	I	
Growth of labor productivity	II	
Investment productivity, incremental capital-output ratio (ICOR)	II	
Gross fixed investment, % GDP	II	
Gross fixed private investment, % GDP	II	
Poverty and Inequality		
Human poverty index (0 for excellent to 100 for poor)	I	
Income-share, poorest 20%	I	
Population living on less than $1 PPP per day (lower income countries)/ $2 PPP per day (lower middle income countries)	I	MDG
Poverty headcount, by national poverty line	I	MDG
PRSP status	I	EcGov
Population below minimum dietary energy consumption	II	MDG
Economic Structure		
Employment or labor force structure	I	
Output structure	I	
Demography and Environment		
Adult literacy rate	I	
Youth dependency rate/ elderly dependency rate (elderly rate for Eastern European and Former Soviet Union countries)	I	
Environmental performance index (0 for poor to 100 for excellent)	I	
Population size and growth	I	
Urbanization rate	I	
Gender		
Girls' primary completion rate	I	MCA
Gross enrollment rate, all levels, male, female	I	MDG
Life expectancy at birth, male, female	I	
Labor force participation rate, male, female	I	
Fiscal and Monetary Policy		
Government expenditure, % GDP	I	EcGov
Government revenue, excluding grants, % GDP	I	EcGov
Growth in the broad money supply	I	EcGov
Inflation rate	I	MCA
Overall government budget balance, including grants, % GDP	I	MCA, EcGov
Composition of government expenditure	II	
Composition of government revenue	II	
Composition of money supply growth	II	

Indicator	Level	MDG, MCA, or EcGov[a]
Business Environment		
Control of corruption index (-2.5 for poor to 2.5 for excellent)	I	EcGov
Ease of doing business ranking	I	EcGov
Rule of law index (-2.5 for poor to 2.5 for excellent)	I	MCA, EcGov
Regulatory quality index (-2.5 for poor to 2.5 for excellent)	I	MCA, EcGov
Government effectiveness index (-2.5 for poor to 2.5 for excellent)	I	MCA, EcGov
Cost of starting a business	II	MCA, EcGov
Procedures to enforce a contract	II	EcGov
Procedures to register property	II	EcGov
Procedures to start a business	II	EcGov
Time to enforce a contract	II	EcGov
Time to register property	II	EcGov
Time to start a business	II	MCA, EcGov
Total tax payable by business	II	EcGov
Business costs of crime, violence, terrorism index (1 for poor to 7 for excellent)	II	
Senior manager time spent dealing with government regulations	II	EcGov
Financial Sector		
Domestic credit to private sector, % GDP	I	
Interest rate spread	I	
Money supply, % GDP	I	
Stock market capitalization rate, % of GDP	I	
Credit information index (0 for poor to 6 for excellent)	I	
Legal rights of borrowers and lenders index (0 for poor to 10 for excellent)	II	
Real interest rate	II	
Number of active microfinance borrowers	II	
External Sector		
Aid , % GNI	I	
Current account balance, % GDP	I	
Debt service ratio, % exports	I	MDG
Export growth of goods and services	I	
Foreign direct investment, % GDP	I	
Gross international reserves, months of imports	I	EcGov
Gross Private capital inflows, % GDP	I	
Present value of debt, % GNI	I	
Remittance receipts, % exports	I	
Trade, % GDP	I	
Trade in services, % GDP	I	
Concentration of exports	II	
Inward FDI potential index	II	
Net barter terms of trade	II	
Real effective exchange rate (REER)	II	EcGov

Indicator	Level	MDG, MCA, or EcGov[a]
Structure of merchandise exports	II	
Trade policy index (0 for poor to 100 for excellent)	II	MCA, EcGov
Ease of trading across boarders ranking	II	EcGov
Economic Infrastructure		
Internet users per 1,000 people	I	MDG
Overall infrastructure quality index (1 for poor to 7 for excellent)	I	EcGov
Telephone density, fixed line and mobile	I	MDG
Quality of infrastructure—railroads, ports, air transport, and electricity	II	
Roads paved, % total roads	II	
Science and Technology		
Expenditure for R&D, % GDP	I	
FDI and technology transfer index (1 for poor to 7 for excellent)	I	
Availability of scientists and engineers index (1 for poor to 7 for excellent)	I	
Science & technology journal articles per million people	I	
IPR protection index (1 for poor to 7 for excellent)	I	
Health		
HIV prevalence	I	
Life expectancy at birth	I	
Maternal mortality rate	I	MDG
Access to improved sanitation	II	MDG
Access to improved water source	II	MDG
Births attended by skilled health personnel	II	MDG
Child immunization rate	II	MCA
Prevalence of child malnutrition (weight for age)	II	
Public health expenditure, % GDP	II	MCA, EcGov
Education		
Net primary enrollment rate – female, male, total	I	MDG
Persistence in school to grade 5	I	MDG
Youth literacy rate, all, male, female	I	
Net secondary enrollment rate	I	
Gross tertiary enrollment rate	I	
Education expenditure, primary, % GDP	II	MCA, EcGov
Expenditure per student, % GDP per capita—primary, secondary, and tertiary	II	EcGov
Pupil-teacher ratio, primary school	II	
Employment and Workforce		
Labor force participation rate, total	I	
Rigidity of employment index (0 for minimum to 100 for maximum)	I	EcGov
Size and growth of the labor force	I	
Unemployment rate	I	
Economically active children, % children ages 7-14	I	
Firing costs, weeks of wages	II	EcGov

Indicator	Level	MDG, MCA, or EcGov[a]
Agriculture		
Agriculture value added per worker	I	
Cereal yield	I	
Growth in agricultural value-added	I	
Agricultural policy costs index (1 for poor to 7 for excellent)	II	EcGov
Crop production index	II	
Livestock production index	II	
Agricultural export growth	II	

[a] *Level I = primary performance indicators, Level II = supporting diagnostic indicators*

[b] *MDG—Millennium Development Goal indicator*
MCA—Millennium Challenge Account indicator
EcGov—Major indicators of economic governance, which is defined in USAID's Strategic Management Interim Guidance to include "microeconomic and macroeconomic policy and institutional frameworks and operations for economic stability, efficiency, and growth." The term therefore encompasses indicators of fiscal and monetary management, trade and exchange rate policy, legal and regulatory systems affecting the business environment, infrastructure quality, and budget allocations.

Appendix B. Data Supplement

This supplement presents a full tabulation of the data and international benchmarks examined for this report, along with technical notes on the data sources and definitions.

		Growth Performance						
	Statistical Capacity Indicator	Per capita GDP, in Purchasing Power Parity Dollars	Per capita GDP, in current U.S. Dollars	Real GDP Growth	Growth of Labor Productivity	Investment Productivity, Incremental Capital-Output Ratio (ICOR)	Gross Fixed Investment, % of GDP	Gross Fixed Private Investment, % of GDP
Indicator Number	11P0	11P1	11P2	11P3	11S1	11S2	11S3	11S4
Colombia Data								
Latest Year (T)	*2007*	*2007*	*2007*	*2007*	*2005*	*2005*	*2006*	*2006*
Value Year T	*86*	*8,891.2*	*3,614.2*	*6.6*	*3.0*	*4.8*	*19.5*	*13.0*
Value Year T-1	*76*	*8,260.3*	*2,905.2*	*6.8*	*2.7*	*5.1*	*19.3*	*13.5*
Value Year T-2	*79*	*7,614.6*	*2,669.5*	*4.7*	*1.8*	*12.0*	*18.3*	*12.7*
Value Year T-3	*88*	*7,154.6*	*2,163.5*	*4.9*	*-0.1*	*27.4*	*17.2*	*9.1*
Value Year T-4	.	*6,742.2*	*1,782.2*	*3.9*	*-0.6*	*18.9*	*15.3*	*7.9*
Average Value, 5 year	.	*7,732.6*	*2,626.9*	*5.4*	*1.3*	*13.6*	*17.9*	*11.2*
Growth Trend	.	*7.0*	*17.1*	*13.8*	.	*-44.1*	*6.0*	*13.9*
Benchmark Data								
Regression Benchmark	.	.	.	*6.1*	.	.	.	.
Lower Bound	.	.	.	*3.7*	.	.	.	.
Upper Bound	.	.	.	*8.5*	.	.	.	.
Latest Year Chile	*2007*	*2007*	*2007*	*2007*	*2005*	*2005*	*2005*	*2001*
Chile Value Latest Year	*91*	*13,744.5*	*9,697.7*	*5.9*	*4.6*	*4.8*	*22.1*	*18.0*
Latest Year Mexico	*2007*	*2007*	*2007*	*2007*	*2005*	*2005*	*2005*	*2000*
Mexico Value Latest Year	*69*	*11,879.7*	*8,426.3*	*2.9*	*1.2*	*10.6*	*19.3*	*19.7*
LMI-LAC Median	*72.3*	*5,012.9*	*2,662.3*	*4.2*	*1.5*	*5.5*	*19.6*	*18.5*
Lower Middle Income Median	*67.5*	*5,485.6*	*2,309.8*	*5.5*	*1.1*	*5.1*	*20.6*	*17.4*
Low Five Avg.	*25.1*	*592.3*	*161.6*	*-0.6*	*-4.4*	*-19.9*	*10.3*	*4.4*
High Five Avg.	*90.7*	*50,789.0*	*67,173.6*	*17.3*	*14.8*	*30.0*	*47.2*	*30.5*

	Poverty and Inequality						
	Human Poverty Index (0 for no depravation to 100 for high depravation)	Income Share, Poorest 20%	Percentage of Population Living on Less Than $1 PPP per Day	Percentage of Population Living on Less Than $2 PPP per Day	Poverty Headcount, National Poverty Line	PRSP Status	Population % Below Minimum Dietary Energy Consumption
Indicator Number	12P1	12P2	12P3a	12P3b	12P4	12P5	12S1
Colombia Data							
Latest Year (T)	*2005*	*2003*	*2003*	*2003*	*2005*	.	*2003*
Value Year T	*7.9*	*2.5*	*7.0*	*19.4*	*49.0*	.	*13.0*
Value Year T-1	*7.6*	.	.	.	*52.6*	.	*14.0*
Value Year T-2	*7.4*	.	.	.	*57.6*	.	.
Value Year T-3	*8.1*	.	.	.	.	.	.
Value Year T-4	*8.2*	*2.8*	*8.2*	*22.6*	.	.	.
Average Value, 5 year	*7.8*	.	.	.	.	.	.
Growth Trend	*-1.4*	.	.	.	.	.	.
Benchmark Data							
Regression Benchmark	*7.5*	*3.0*	*7.9*	*21.8*	*44.1*	.	.
Lower Bound	*1.9*	*2.2*	*0.8*	*13.4*	*36.0*	.	.
Upper Bound	*13.1*	*3.9*	*15.0*	*30.2*	*52.3*	.	.
Latest Year Chile	*2005*	*2003*	*2003*	*2003*	.	.	*2002*
Chile Value Latest Year	*3.7*	*3.8*	*2.0*	*5.6*	.	.	*4.0*
Latest Year Mexico	*2005*	*2004*	*2004*	*2004*	*2004*	.	*2002*
Mexico Value Latest Year	*6.8*	*4.3*	*3.0*	*11.6*	*17.6*	.	*5.0*
LMI-LAC Median	*12.6*	*3.0*	*17.7*	*37.7*	*47.9*	.	*12.8*
Lower Middle Income Median	*16.8*	.	.	.	.	.	*11.0*
Low Five Avg.	*3.7*	*2.2*	*2.0*	*2.0*	*13.6*	.	*2.5*
High Five Avg.	*62.4*	*9.5*	*61.8*	*88.7*	*67.5*	.	*67.0*

	Economic Structure					
	Labor Force Structure (Employment in agriculture, % total)	Labor Force Structure (Employment in industry, % total)	Labor Force Structure (Employment in services, % total)	Output structure (Agriculture, value added, % GDP)	Output structure (Industry, value added, % GDP)	Output structure (Services, etc., value added, % GDP)
Indicator Number	13P1a	13P1b	13P1c	13P2a	13P2b	13P2c
Colombia Data						
Latest Year (T)	*2005*	*2005*	*2005*	*2005*	*2005*	*2005*
Value Year T	*22.4*	*18.8*	*58.8*	*12.5*	*34.2*	*53.3*
Value Year T-1	*20.3*	*19.7*	*60.1*	*12.6*	*33.8*	*53.6*
Value Year T-2	*21.1*	*18.6*	*60.2*	*12.8*	*32.1*	*55.1*
Value Year T-3	*20.4*	*20.0*	*59.6*	*13.3*	*30.0*	*56.7*
Value Year T-4	*22.2*	*18.4*	*59.3*	*13.6*	*29.7*	*56.7*
Average Value, 5 year	*21.3*	*19.1*	*59.6*	*13.0*	*32.0*	*55.1*
Growth Trend	*0.1*	*0.3*	*-0.1*	*-2.2*	*4.0*	*-1.8*
Benchmark Data						
Regression Benchmark	*12.4*	*20.9*	*66.1*	*11.6*	*32.1*	*55.9*
Lower Bound	*5.8*	*17.7*	*60.9*	*5.7*	*26.6*	*49.7*
Upper Bound	*19.0*	*24.2*	*71.2*	*17.6*	*37.6*	*62.0*
Latest Year Chile	*2005*	*2005*	*2005*	*2005*	*2005*	*2005*
Chile Value Latest Year	*13.2*	*23.0*	*63.9*	*5.5*	*46.8*	*47.7*
Latest Year Mexico	*2005*	*2005*	*2005*	*2005*	*2005*	*2005*
Mexico Value Latest Year	*15.1*	*25.7*	*58.6*	*3.8*	*25.9*	*70.2*
LMI-LAC Median	*20.7*	*20.4*	*58.3*	*12.6*	*29.6*	*56.4*
Lower Middle Income Median	*30.7*	*20.0*	*48.8*	*15.1*	*31.4*	*52.9*
Low Five Avg.	*0.8*	*5.8*	*16.6*	*0.5*	*11.8*	*21.8*
High Five Avg.	*75.3*	*38.4*	*78.7*	*55.4*	*61.1*	*82.4*

	Demography and Environment						
	Adult Literacy Rate	Youth Dependency Rate	Elderly Dependency Rate	Environmental Performance Index (1 to 100)	Population Size (Millions)	Population Growth, Annual %	Percent of Population Living in Urban Areas
Indicator Number	14P1	14P2a	14P2b	14P3	14P4a	14P4b	14P5
Colombia Data							
Latest Year (T)	*2006*	*2005*	*2005*	*2006*	*2005*	*2005*	*2005*
Value Year T	*92.8*	*48.5*	*8.0*	*80.4*	*45.6*	*1.5*	*72.7*
Value Year T-1	*90.4*	*49.4*	*7.9*	.	*44.9*	*1.6*	*72.4*
Value Year T-2	.	*50.2*	*7.8*	.	*44.2*	*1.6*	*72.1*
Value Year T-3	.	*51.0*	*7.8*	.	*43.5*	*1.6*	*71.8*
Value Year T-4	.	*51.7*	*7.7*	.	*42.8*	*1.7*	*71.5*
Average Value, 5 year	.	*50.2*	*7.8*	.	*44.2*	*1.6*	*72.1*
Growth Trend	.	*-1.6*	*0.9*	.	*1.6*	.	*0.4*
Benchmark Data							
Regression Benchmark	*92.5*	*48.0*	*11.0*	*74.9*	.	.	*70.8*
Lower Bound	*83.6*	*41.4*	*9.0*	*69.8*	.	.	*60.9*
Upper Bound	*101.5*	*54.6*	*13.0*	*80.1*	.	.	*80.8*
Latest Year Chile	*2006*	*2005*	*2005*	*2006*	*2005*	*2005*	*2005*
Chile Value Latest Year	*95.7*	*37.1*	*12.1*	*78.9*	*16.3*	*1.1*	*87.6*
Latest Year Mexico	*2006*	*2005*	*2005*	*2006*	*2005*	*2005*	*2005*
Mexico Value Latest Year	*91.0*	*48.7*	*8.4*	*64.8*	*103.1*	*1.0*	*76.0*
LMI-LAC Median	*87.0*	*52.1*	*8.1*	*69.5*	*8.0*	*1.5*	*61.3*
Lower Middle Income Median	*89.6*	*57.8*	*7.7*	*64.6*	*5.1*	*1.5*	*54.0*
Low Five Avg.	*24.7*	*20.1*	*2.7*	*31.8*	*0.1*	*-0.7*	*11.9*
High Five Avg.	*99.7*	*99.4*	*28.3*	*86.9*	*620.5*	*4.4*	*98.6*

	Gender						
	Girls' Primary Completion Rate	Gross Enrollment Rate, All Levels of Education, Male	Gross Enrollment Rate, All Levels of Education, Female	Life Expectancy, Male	Life Expectancy, Female	Labor Force Participation Rate, Male	Labor Force Participation Rate, Female
Indicator Number	15P1	15P2a	15P2b	15P3a	15P3b	15P4a	15P4b
Colombia Data							
Latest Year (T)	*2005*	*2004*	*2004*	*2005*	*2005*	*2005*	*2005*
Value Year T	*99.5*	*71.0*	*74.0*	*68.7*	*76.0*	*86.4*	*67.2*
Value Year T-1	*96.4*	*69.0*	.	*69.6*	*75.6*	*86.4*	*66.2*
Value Year T-2	*89.7*	*67.0*	.	*69.9*	.	*86.2*	*65.2*
Value Year T-3	*90.5*	.	.	*69.0*	.	*86.4*	*64.3*
Value Year T-4	*90.5*	.	.	.	.	*86.2*	*63.1*
Average Value, 5 year	*93.3*	.	.	.	.	*86.3*	*65.2*
Growth Trend	*2.5*	.	.	.	.	*0.0*	*1.5*
Benchmark Data							
Regression Benchmark	*97.9*	*78.3*	*81.5*	*69.6*	*75.7*	*87.2*	*59.5*
Lower Bound	*88.7*	*72.1*	*74.5*	*66.0*	*71.7*	*83.6*	*51.2*
Upper Bound	*107.1*	*84.5*	*88.5*	*73.3*	*79.8*	*90.8*	*67.8*
Latest Year Chile	*2004*	*2004*	*2004*	*2005*	*2005*	*2005*	*2005*
Chile Value Latest Year	*94.6*	*82.0*	*80.0*	*75.3*	*81.3*	*78.2*	*41.4*
Latest Year Mexico	*2004*	*2004*	*2004*	*2005*	*2005*	*2005*	*2005*
Mexico Value Latest Year	*99.6*	*75.0*	*76.0*	*73.1*	*78.0*	*85.4*	*44.3*
LMI-LAC Median	*92.6*	*70.0*	*77.0*	*68.4*	*73.9*	*87.2*	*55.3*
Lower Middle Income Median	*93.4*	*70.0*	*72.0*	*67.8*	*73.3*	*84.8*	*53.0*
Low Five Avg.	*20.3*	*28.2*	*21.8*	*39.5*	*40.4*	*66.6*	*19.6*
High Five Avg.	*122.3*	*101.2*	*106.8*	*78.9*	*84.4*	*98.4*	*91.9*

	Fiscal and Monetary Policy									
	Government Expenditure, % of GDP	Government Revenue, % of GDP	Growth in the Money Supply	Inflation Rate	Overall Budget Balance, Including Grants, % of GDP	Composition of Government Expenditure (Wages and salaries)	Composition of Government Expenditure (Goods and services)	Composition of Government Expenditure (Interest payments)	Composition of Government Expenditure (Subsidies and other current transfers)	Composition of Government Expenditure (Capital expenditure)
Indicator Number	21P1	21P2	21P3	21P4	21P5	21S1a	21S1b	21S1c	21S1d	21S1e
Colombia Data										
Latest Year (T)	*2006*	*2006*	*2006*	*2007*	*2006*	.	.	.	.	.
Value Year T	*33.3*	*31.7*	*18.4*	*5.5*	*-1.5*	.	.	.	.	.
Value Year T-1	*31.0*	*30.8*	*17.2*	*4.5*	*0.0*	.	.	.	.	.
Value Year T-2	*31.5*	*30.3*	*18.6*	*4.9*	*-1.3*	.	.	.	.	.
Value Year T-3	*32.5*	*29.5*	*16.6*	*5.5*	*-2.7*	.	.	.	.	.
Value Year T-4	*33.4*	*29.5*	*9.6*	*6.5*	*-3.6*	.	.	.	.	.
Average Value, 5 year	*32.3*	*30.4*	*16.1*	*5.4*	*-1.8*	.	.	.	.	.
Growth Trend	*-0.5*	*1.9*	*13.4*	*-5.3*	*142.6*	.	.	.	.	.
Benchmark Data										
Regression Benchmark	*29.1*	*21.4*	*15.7*	*5.7*	*-2.0*	.	.	.	.	.
Lower Bound	*21.8*	*16.4*	*9.2*	*3.0*	*-4.3*	.	.	.	.	.
Upper Bound	*36.3*	*26.4*	*22.1*	*8.4*	*0.3*	.	.	.	.	.
Latest Year Chile	*2005*	*2005*	*2005*	*2007*	*2005*	*2001*	*2001*	*2001*	*2001*	*2001*
Chile Value Latest Year	*18.7*	*24.4*	*19.3*	*3.9*	*4.7*	*19.4*	*27.2*	*2.1*	*55.7*	*15.0*
Latest Year Mexico	*2000*	*2000*	*2005*	*2007*	*2000*	*2000*	*2000*	*2000*	*2000*	*2000*
Mexico Value Latest Year	*15.4*	*14.7*	*10.0*	*3.9*	*-1.2*	*16.6*	*24.2*	*12.9*	*52.2*	*10.3*
LMI-LAC Median	*17.4*	*21.2*	*14.1*	*7.1*	*-1.0*	*27.1*	*44.6*	*7.8*	*22.5*	*19.9*
Lower Middle Income Median	*24.0*	*26.1*	*12.3*	*5.4*	*-1.6*	*23.8*	*42.9*	*9.7*	*18.5*	*19.7*
Low Five Avg.	*9.8*	*6.9*	*-1.3*	*0.6*	*-11.1*	*4.6*	*16.2*	*0.9*	*2.1*	*2.3*
High Five Avg.	*56.6*	*60.4*	*196.2*	*1,179.8*	*5.8*	*48.7*	*77.2*	*35.6*	*69.2*	*43.7*

	Fiscal and Monetary Policy (cont'd)											
	Composition of Government Expenditure (Other expenditure)	Composition of Government Revenue (Taxes of income, profits and capital gains)	Composition of Government Revenue (Taxes on goods and services)	Composition of Government Revenue (Taxes on international trade)	Composition of Government Revenue (Social contributions)	Composition of Government Revenue (Other taxes)	Composition of Government Revenue (Grants and other revenue)	Composition of Money Supply Growth (Domestic credit to the public sector)	Composition of Money Supply Growth (Domestic credit to the private sector)	Composition of Money Supply Growth (Domestic credit to non-financial public enterprises)	Composition of Money Supply Growth (Net foreign assets, reserves)	Composition of Money Supply Growth (Other items net)
Indicator Number	21S1f	21S2a	21S2b	21S2c	21S2d	21S2e	21S2f	21S3a	21S3b	21S3c	21S3d	21S3e
Colombia Data												
Latest Year (T)	.	*2005*	*2005*	*2005*	*2005*	*2005*	*2005*	*2006*	*2006*	.	.	.
Value Year T	.	*21.0*	*28.9*	*3.0*	*7.4*	*0.8*	*38.9*	*2.3*	*23.6*	.	.	.
Value Year T-1	.	*16.6*	*26.0*	*2.5*	*9.9*	*0.7*	*44.3*	*10.6*	*15.7*	.	.	.
Value Year T-2	.	*20.7*	*24.0*	*3.1*	*11.0*	*0.8*	*40.3*	*-2.2*	*12.0*	.	.	.
Value Year T-3	.	.	.	.	.	.	.	*9.7*	*9.2*	.	.	.
Value Year T-4	.	.	.	.	.	.	.	*13.7*	*4.0*	.	.	.
Average Value, 5 year	.	.	.	.	.	.	.	*6.8*	*12.9*	.	.	.
Growth Trend	.	.	.	.	.	.	.	.	*40.8*	.	.	.
Benchmark Data												
Regression Benchmark	.	.	.	.	.	.	.	.	.	.	.	.
Lower Bound	.	.	.	.	.	.	.	.	.	.	.	.
Upper Bound	.	.	.	.	.	.	.	.	.	.	.	.
Latest Year Chile	.	*2005*	*2005*	*2005*	*2005*	*2005*	*2005*	.	.	.	.	.
Chile Value Latest Year	.	*29.5*	*41.2*	*1.8*	*5.9*	*6.3*	*15.3*	.	.	.	.	.
Latest Year Mexico	.	*2000*	*2000*	*2000*	*2000*	*2000*	*2000*	.	.	.	.	.
Mexico Value Latest Year	.	*34.1*	*62.1*	*4.1*	*10.5*	*0.7*	*10.5*	.	.	.	.	.
LMI-LAC Median	.	*18.5*	*40.7*	*6.8*	*8.7*	*1.8*	*15.6*	.	.	.	.	.
Lower Middle Income Median	.	*19.7*	*35.5*	*8.3*	.	*1.4*	*15.7*	.	.	.	.	.
Low Five Avg.	.	*1.7*	*3.2*	*-0.2*	*0.3*	*0.0*	*3.7*	.	.	.	.	.
High Five Avg.	.	*67.1*	*69.6*	*45.5*	*47.3*	*23.6*	*79.5*	.	.	.	.	.

	Business Environment								
	Control of Corruption Index (-2.5 for poor to 2.5 for excellent)	Ease of Doing Business Ranking (1 to 178)	Rule of Law Index (-2.5 for very poor to 2.5 for excellent)	Regulatory Quality Index (-2.5 for very poor to 2.5 for excellent)	Government Effectiveness Index (-2.5 for very poor to 2.5 for excellent)	Cost of Starting a Business % GNI per Capita	Procedures to Enforce a Contract	Procedures to Register Property	Procedures to Start a Business
Indicator Number	22P1	22P2	22P3	22P4	22P5	22S1	22S2	22S3	22S4
Colombia Data									
Latest Year (T)	*2006*	*2007*	*2006*	*2006*	*2006*	*2007*	*2007*	*2007*	*2007*
Value Year T	*-0.2*	*66*	*-0.6*	*0.1*	*0.0*	*19.3*	*34*	*9*	*11*
Value Year T-1	*-0.2*	*83*	*-0.7*	*0.0*	*-0.1*	*19.8*	*34*	*9*	*13*
Value Year T-2	*-0.2*	*.*	*-0.8*	*-0.1*	*-0.1*	*25.3*	*34*	*9*	*12*
Value Year T-3	*-0.4*	*.*	*-0.9*	*0.0*	*-0.2*	*26.3*	*34*	*9*	*12*
Value Year T-4	*-0.5*	*.*	*-0.9*	*0.1*	*-0.5*	*28.7*	*37*	*.*	*19*
Average Value, 5 year	*-0.3*	*.*	*-0.8*	*0.0*	*-0.2*	*23.9*	*34.6*	*.*	*13.4*
Growth Trend	*25.0*	*.*	*8.7*	*.*	*.*	*-10.8*	*-1.7*	*.*	*-10.1*
Benchmark Data									
Regression Benchmark	*-0.2*	*100.0*	*-0.4*	*-0.1*	*-0.2*	*.*	*.*	*.*	*.*
Lower Bound	*-0.5*	*78.7*	*-0.6*	*-0.4*	*-0.4*	*.*	*.*	*.*	*.*
Upper Bound	*0.1*	*121.3*	*-0.1*	*0.1*	*0.1*	*.*	*.*	*.*	*.*
Latest Year Chile	*2006*	*2007*	*2006*	*2006*	*2006*	*2007*	*2007*	*2007*	*2007*
Chile Value Latest Year	*1.3*	*33*	*1.2*	*1.4*	*1.2*	*8.6*	*36*	*6*	*9*
Latest Year Mexico	*2006*	*2007*	*2006*	*2006*	*2006*	*2007*	*2007*	*2007*	*2007*
Mexico Value Latest Year	*-0.3*	*44*	*-0.5*	*0.4*	*0.2*	*13.3*	*38*	*5*	*8*
LMI-LAC Median	*-0.6*	*102.5*	*-0.7*	*-0.4*	*-0.6*	*62.0*	*36.3*	*6.3*	*12.0*
Lower Middle Income Median	*-0.5*	*103.8*	*-0.6*	*-0.4*	*-0.5*	*33.3*	*39.0*	*6.2*	*10.5*
Low Five Avg.	*-1.6*	*3.0*	*.*	*-2.3*	*-1.8*	*0.5*	*1.6*	*2.4*	*182.6*
High Five Avg.	*2.4*	*175.6*	*.*	*1.8*	*2.1*	*574.0*	*13.9*	*18.5*	*1,611.6*

	Business Environment (cont'd)					
	Time to Enforce a Contract	Time to Register Property	Time to Start a Business	Total Tax Payable by Business, % operating profit	Business Costs of Crime, Violence and Terrorism (1 for poor to 7 for excellent)	Senior Manager Time Spent Dealing with Government Regulations (%)
Indicator Number	22S5	22S6	22S7	22S8	22S9	22S10
Colombia Data						
Latest Year (T)	*2007*	*2007*	*2007*	*2007*	*2007*	*2006*
Value Year T	*1,346*	*23*	*42*	*82.4*	*3.2*	*14.3*
Value Year T-1	*1,346*	*23*	*44*	*82.1*	*3.0*	*.*
Value Year T-2	*1,346*	*23*	*43*	*82.1*	*.*	*.*
Value Year T-3	*1,346*	*23*	*43*	*.*	*.*	*.*
Value Year T-4	*1,510*	*.*	*60*	*.*	*.*	*.*
Average Value, 5 year	*1,378.8*	*.*	*46.4*	*.*	*.*	*.*
Growth Trend	*-2.3*	*.*	*-6.9*	*.*	*.*	*.*
Benchmark Data						
Regression Benchmark	*.*	*.*	*.*	*.*	*.*	*.*
Lower Bound	*.*	*.*	*.*	*.*	*.*	*.*
Upper Bound	*.*	*.*	*.*	*.*	*.*	*.*
Latest Year Chile	*2007*	*2007*	*2007*	*2007*	*2007*	*2006*
Chile Value Latest Year	*480*	*31*	*27*	*25.9*	*4.6*	*9.0*
Latest Year Mexico	*2007*	*2007*	*2007*	*2007*	*2007*	*2006*
Mexico Value Latest Year	*415*	*74*	*27*	*51.2*	*2.9*	*20.5*
LMI-LAC Median	*581.0*	*45.3*	*45.3*	*41.5*	*2.9*	*9.2*
Lower Middle Income Median	*562.5*	*49.5*	*42.0*	*41.6*	*3.9*	*7.1*
Low Five Avg.	*2.1*	*4.3*	*12.2*	*2.0*	*1.5*	*23.1*
High Five Avg.	*485.8*	*287.7*	*251.2*	*6.6*	*21.3*	*53.7*

	Financial Sector							
	Domestic Credit to Private Sector, % GDP	Interest Rate Spread	Money Supply (M2), % GDP	Stock Market Capitalization Rate, % GDP	Credit Information Index (0 for poor to 6 for excellent)	Legal Rights of Borrowers and Lenders (0 for poor to 10 for excellent)	Real Interest Rate	Number of Microfinance Borrowers
Indicator Number	23P1	23P2	23P3	23P4	23P5	23S1	23S2	23S3
Colombia Data								
Latest Year (T)	*2005*	*2005*	*2005*	*2005*	*2007*	*2007*	*2005*	.
Value Year T	*23.9*	*7.5*	*29.6*	*37.6*	*5.0*	*2.0*	*7.9*	.
Value Year T-1	*23.0*	*7.3*	*27.8*	*26.1*	*5.0*	*2.0*	*8.3*	.
Value Year T-2	*22.9*	*7.4*	*27.1*	*18.0*	*5.0*	*2.0*	*6.5*	.
Value Year T-3	*25.0*	*7.4*	*27.3*	*11.9*	*4.0*	*2.0*	*9.9*	.
Value Year T-4	*25.3*	*8.3*	*25.7*	*16.1*	*5.0*	.	*13.6*	.
Average Value, 5 year	*24.0*	*7.6*	*27.5*	*21.9*	*4.8*	.	*9.3*	.
Growth Trend	*-1.9*	*-2.0*	*3.0*	*24.8*	*2.2*	.	*-12.5*	.
Benchmark Data								
Regression Benchmark	*40.7*	*9.3*	*47.7*	*30.2*	*4.1*	.	.	.
Lower Bound	*26.5*	*6.3*	*32.6*	*1.8*	*2.8*	.	.	.
Upper Bound	*54.9*	*12.3*	*62.9*	*58.6*	*5.5*	.	.	.
Latest Year Chile	*2005*	*2005*	*2005*	*2005*	*2007*	*2007*	*2005*	.
Chile Value Latest Year	*82.3*	*2.7*	*49.9*	*118.4*	*5.0*	*4.0*	*1.8*	.
Latest Year Mexico	*2005*	*2005*	*2005*	*2005*	*2007*	*2007*	*2005*	.
Mexico Value Latest Year	*18.2*	*6.2*	*26.6*	*31.1*	*6.0*	*3.0*	*4.0*	.
LMI-LAC Median	*25.8*	*9.9*	*37.3*	*10.4*	*5.0*	*3.0*	*11.3*	.
Lower Middle Income Median	*24.4*	*7.1*	*38.4*	*12.6*	*2.8*	*3.7*	*6.7*	.
Low Five Avg.	*2.9*	*1.4*	*9.4*	*0.3*	*0.0*	*0.6*	*-35.6*	.
High Five Avg.	*198.4*	*36.4*	*194.8*	*241.5*	*6.0*	*9.4*	*35.7*	.

	External Sector										
	Aid, % of GNI	Current Account Balance, % GDP	Debt Service ratio, % Exports	Exports Growth, Goods and Services	Foreign Direct Investment, % GDP	Gross International Reserves, Months of Imports	Gross Private Capital Inflows, % GDP	Present Value of Debt, % GNI	Remittance Receipts, % Exports	Trade, % GDP	Trade in Services, % GDP
Indicator Number	24P1	24P2	24P3	24P4	24P5	24P6	24P7	24P8	24P9	24P10	24P11
Colombia Data											
Latest Year (T)	*2005*	*2006*	*2005*	*2005*	*2006*	*2005*	*2005*	*2005*	*2005*	*2005*	*2005*
Value Year T	*0.4*	*-1.6*	*25.1*	*4.6*	*2.9*	*5.7*	*8.3*	*42.9*	*13.6*	*42.8*	*6.1*
Value Year T-1	*0.6*	*-1.6*	*17.5*	*11.4*	*8.5*	*6.5*	*4.4*	*49.1*	*16.3*	*43.4*	*6.4*
Value Year T-2	*1.1*	*-1.0*	*33.1*	*5.7*	*3.2*	*6.4*	*2.4*	*.*	*19.4*	*42.9*	*6.7*
Value Year T-3	*0.6*	*-1.2*	*31.1*	*-5.0*	*2.2*	*6.9*	*1.5*	*.*	*17.3*	*40.1*	*6.4*
Value Year T-4	*0.5*	*-1.7*	*26.4*	*2.4*	*2.6*	*6.3*	*7.3*	*.*	*13.4*	*41.3*	*7.1*
Average Value, 5 year	*0.6*	*-1.4*	*26.6*	*3.8*	*3.9*	*6.4*	*4.8*	*.*	*16.0*	*42.1*	*6.5*
Growth Trend	*-1.8*	*-1.7*	*-6.7*	*.*	*15.4*	*-2.6*	*13.5*	*.*	*-0.4*	*1.5*	*-3.0*
Benchmark Data											
Regression Benchmark	*2.1*	*-1.7*	*21.8*	*10.5*	*4.1*	*4.9*	*.*	*74.5*	*5.4*	*77.3*	*17.8*
Lower Bound	*-2.7*	*-6.7*	*16.9*	*4.3*	*1.8*	*3.4*	*.*	*53.1*	*-3.2*	*54.8*	*7.1*
Upper Bound	*6.9*	*3.2*	*26.8*	*16.8*	*6.4*	*6.3*	*.*	*95.9*	*14.1*	*99.9*	*28.4*
Latest Year Chile	*2005*	*2005*	*2005*	*2005*	*2005*	*2005*	*2005*	*2005*	*.*	*2005*	*2005*
Chile Value Latest Year	*0.1*	*0.6*	*4.0*	*6.1*	*5.8*	*4.0*	*7.1*	*51.7*	*.*	*75.4*	*13.0*
Latest Year Mexico	*2005*	*2005*	*2005*	*2005*	*2005*	*2005*	*2005*	*2005*	*2005*	*2005*	*2005*
Mexico Value Latest Year	*0.0*	*-0.6*	*9.4*	*6.9*	*2.4*	*3.4*	*3.8*	*26.1*	*8.7*	*61.4*	*4.9*
LMI-LAC Median	*0.8*	*-1.7*	*8.5*	*6.6*	*4.0*	*3.6*	*4.1*	*46.9*	*24.2*	*65.2*	*13.9*
Lower Middle Income Median	*3.4*	*-3.3*	*9.7*	*5.4*	*2.4*	*3.3*	*3.6*	*39.7*	*8.3*	*84.0*	*17.8*
Low Five Avg.	*0.0*	*-5.8*	*-5.6*	*0.4*	*-3.5*	*11.1*	*0.0*	*28.9*	*4.1*	*-28.2*	*0.7*
High Five Avg.	*49.6*	*43.5*	*87.5*	*16.2*	*197.8*	*364.0*	*102.3*	*307.5*	*90.4*	*15.5*	*38.2*

	External Sector (Cont'd)										
	Concentration of Exports	Inward FDI Potential Index (0 for poor to 1 for excellent)	Net Barter Terms of Trade (2000 = 100)	Real Effective Exchange Rate (REER) (2000 = 100)	Structure of Merchandise Exports (Agricultural raw materials exports)	Structure of Merchandise Exports (Fuel exports)	Structure of Merchandise Exports (Manufactures exports)	Structure of Merchandise Exports (Ores and metals exports)	Structure of Merchandise Exports (Food exports)	Trade Policy Index (0 for very poor to 100 for excellent)	Ease of Trading Across Borders Ranking
Indicator Number	24S1	24S2	24S3	24S4	24S5a	24S5b	24S5c	24S5d	24S5e	24S6	24S7
Colombia Data											
Latest Year (T)	*2005*	*2005*	*2004*	*.*	*2005*	*2005*	*2005*	*2005*	*2005*	*2007*	*2007*
Value Year T	*44.5*	*0.1*	*92.8*	*.*	*4.7*	*40.4*	*35.8*	*1.4*	*17.7*	*61.4*	*105*
Value Year T-1	*34.8*	*0.1*	*91.9*	*.*	*4.6*	*38.2*	*38.4*	*1.3*	*17.5*	*60.8*	*141*
Value Year T-2	*36.3*	*0.1*	*89.2*	*.*	*5.8*	*39.0*	*36.0*	*1.1*	*18.2*	*59.8*	*.*
Value Year T-3	*37.1*	*0.1*	*90.7*	*.*	*6.1*	*36.3*	*38.1*	*0.8*	*18.7*	*58.0*	*.*
Value Year T-4	*37.5*	*0.1*	*100.0*	*.*	*5.3*	*36.3*	*39.4*	*0.8*	*18.2*	*58.0*	*.*
Average Value, 5 year	*38.0*	*0.1*	*92.9*	*.*	*5.3*	*38.0*	*37.5*	*1.1*	*18.0*	*59.6*	*.*
Growth Trend	*2.8*	*-2.1*	*-1.4*	*.*	*-5.1*	*2.7*	*-1.9*	*15.1*	*-1.2*	*1.6*	*.*
Benchmark Data											
Regression Benchmark	*.*	*.*	*.*	*.*	*.*	*.*	*.*	*.*	*.*	*.*	*.*
Lower Bound	*.*	*.*	*.*	*.*	*.*	*.*	*.*	*.*	*.*	*.*	*.*
Upper Bound	*.*	*.*	*.*	*.*	*.*	*.*	*.*	*.*	*.*	*.*	*.*
Latest Year Chile	*.*	*2005*	*2004*	*.*	*2005*	*2005*	*2005*	*2005*	*2005*	*2007*	*2007*
Chile Value Latest Year	*.*	*0.2*	*115.5*	*.*	*6.5*	*2.2*	*13.8*	*55.9*	*19.4*	*72.4*	*43*
Latest Year Mexico	*2005*	*2005*	*2004*	*.*	*2005*	*2005*	*2005*	*2005*	*2005*	*2007*	*2007*
Mexico Value Latest Year	*0.3*	*0.2*	*98.4*	*.*	*0.5*	*14.9*	*77.1*	*1.8*	*5.4*	*72.6*	*76*
LMI-LAC Median	*.*	*0.1*	*94.7*	*.*	*2.8*	*6.2*	*24.2*	*2.3*	*41.3*	*61.9*	*97.0*
Lower Middle Income Median	*.*	*0.1*	*97.2*	*.*	*2.4*	*5.2*	*38.0*	*1.6*	*21.1*	*60.6*	*97.8*
Low Five Avg.	*0.2*	*0.1*	*77.8*	*.*	*0.0*	*0.0*	*1.2*	*0.0*	*0.2*	*25.8*	*3.0*
High Five Avg.	*59.4*	*0.5*	*119.1*	*.*	*50.2*	*93.7*	*94.2*	*55.4*	*88.8*	*96.7*	*175.3*

	Economic Infrastructure							
	Internet Users per 1,000 people	Overall Infrastructure Quality (1 for poor to 7 for excellent)	Telephone Density, Fixed Line and Mobile per 1,000 people	Quality of Infrastructure - Air Transport Infrastructure Index (1 for poor to 7 for excellent)	Quality of Infrastructure - Port Infrastructure Quality Index (1 for poor to 7 for excellent)	Quality of Infrastructure - Rail Development Index (1 for poor to 7 for excellent)	Quality of Infrastructure - Quality of Electricity Supply Index (1 for poor to 7 for excellent)	Roads, Paved (% total)
Indicator Number	25P1	25P2	25P3	25S1a	25S1b	25S1c	25S1d	25S2
Colombia Data								
Latest Year (T)	*2005*	*2007*	*2005*	*2007*	*2007*	*2007*	*2007*	*.*
Value Year T	*103.9*	*2.8*	*647.6*	*4.7*	*2.7*	*1.4*	*4.7*	*.*
Value Year T-1	*86.1*	*2.8*	*400.5*	*4.8*	*2.9*	*1.4*	*4.8*	*.*
Value Year T-2	*69.7*	*2.9*	*317.3*	*.*	*.*	*.*	*.*	*.*
Value Year T-3	*46.0*	*2.9*	*284.0*	*.*	*.*	*.*	*.*	*.*
Value Year T-4	*26.9*	*.*	*248.4*	*.*	*.*	*.*	*.*	*.*
Average Value, 5 year	*66.5*	*.*	*379.6*	*.*	*.*	*.*	*.*	*.*
Growth Trend	*33.3*	*.*	*22.6*	*.*	*.*	*.*	*.*	*.*
Benchmark Data								
Regression Benchmark	*100.5*	*3.1*	*621.7*	*.*	*.*	*.*	*.*	*.*
Lower Bound	*38.2*	*2.6*	*351.7*	*.*	*.*	*.*	*.*	*.*
Upper Bound	*162.8*	*3.5*	*891.7*	*.*	*.*	*.*	*.*	*.*
Latest Year Chile	*2005*	*2007*	*2005*	*2007*	*2007*	*2007*	*2007*	*2001*
Chile Value Latest Year	*171.8*	*5.0*	*859.5*	*5.7*	*4.8*	*2.5*	*5.6*	*20.2*
Latest Year Mexico	*2005*	*2007*	*2005*	*2007*	*2007*	*2007*	*2007*	*2004*
Mexico Value Latest Year	*180.6*	*3.4*	*649.7*	*4.8*	*3.3*	*2.2*	*4.1*	*49.5*
LMI-LAC Median	*69.9*	*2.8*	*474.4*	*4.2*	*2.8*	*1.3*	*3.7*	*19.8*
Lower Middle Income Median	*51.9*	*3.0*	*245.5*	*4.1*	*3.1*	*1.8*	*4.0*	*49.0*
Low Five Avg.	*1.3*	*1.8*	*13.7*	*2.4*	*1.4*	*1.1*	*1.5*	*2.6*
High Five Avg.	*720.0*	*6.6*	*1,777.9*	*6.6*	*6.6*	*6.5*	*6.8*	*100.0*

	Science and Technology				
	Expenditure in Research and Developement, % GDP	FDI Technology Transfer Index (1 for poor to 7 for excellent)	Availability of Scientists and Engineers (1 for poor to 7 for excellent)	Scientific and Technology Journal Articles, per Million People	IPR Protection (1 for poor to 7 for excellent)
Indicator Number	26P1	26P2	26P3	26P4	26P5
Colombia Data					
Latest Year (T)	*2001*	*2007*	*2007*	*2003*	*2007*
Value Year T	*0.2*	*4.9*	*4.1*	*337.0*	*3.5*
Value Year T-1	*0.2*	*5.0*	*4.2*	*353.0*	*3.6*
Value Year T-2	*0.2*	.	.	*324.0*	*3.4*
Value Year T-3	*0.2*	.	.	*320.0*	.
Value Year T-4	*0.3*	.	.	*254.0*	.
Average Value, 5 year	*0.2*	.	.	*317.6*	.
Growth Trend	*-11.8*	.	.	*6.6*	.
Benchmark Data					
Regression Benchmark	*0.3*	*4.8*	*4.0*	*398.0*	*3.1*
Lower Bound	*0.2*	*4.4*	*3.6*	*358.4*	*2.7*
Upper Bound	*0.5*	*5.2*	*4.4*	*437.6*	*3.4*
Latest Year Chile	*2003*	*2007*	*2007*	*2003*	*2007*
Chile Value Latest Year	*0.6*	*5.3*	*4.9*	*1,500.0*	*4.0*
Latest Year Mexico	*2002*	*2007*	*2007*	*2003*	*2007*
Mexico Value Latest Year	*0.4*	*5.2*	*3.8*	*3,747.0*	*3.5*
LMI-LAC Median	*0.1*	*4.6*	*3.4*	*12.5*	*2.7*
Lower Middle Income Median	.	*4.7*	*4.0*	*20.0*	*3.0*
Low Five Avg.	*0.0*	*3.6*	*2.7*	*0.0*	*2.0*
High Five Avg.	*3.7*	*6.1*	*6.1*	*75,711.9*	*6.3*

	Health								
	HIV Prevalence	Life Expectancy at Birth	Maternal Mortality Rate, per 100,000 Live Births	Access to Improved Sanitation	Access to Improved Water Source	Births Attended by Skilled Health Personnel	Child Immunization Rate	Prevalence of Child Malnutrition, Weight for Age	Public Health Expenditure, % GDP
Indicator Number	31P1	31P2	31P3	31S1	31S2	31S3	31S4	31S5	31S6
Colombia Data									
Latest Year (T)	*2005*	*2005*	*2000*	*2004*	*2004*	*2005*	*2005*	*2005*	*2004*
Value Year T	*0.6*	*72.8*	*130*	*86.0*	*93.0*	*96.4*	*88.0*	*7.0*	*6.7*
Value Year T-1	.	.	.	.	.	.	*90.0*	.	*6.5*
Value Year T-2	*0.5*	.	.	.	.	.	*91.5*	.	*6.2*
Value Year T-3	.	*72.2*	.	.	.	.	*87.0*	.	*6.2*
Value Year T-4	*0.5*	.	.	.	.	.	*85.0*	*6.7*	*6.2*
Average Value, 5 year	.	.	.	.	.	.	*88.3*	.	*6.4*
Growth Trend	.	.	.	.	.	.	*1.0*	.	*2.0*
Benchmark Data									
Regression Benchmark	*1.0*	*72.6*	*118.0*	.	.	.	.	.	.
Lower Bound	*-2.6*	*68.8*	*-49.0*	.	.	.	.	.	.
Upper Bound	*4.6*	*76.5*	*285.0*	.	.	.	.	.	.
Latest Year Chile	*2005*	*2005*	*2000*	*2004*	*2004*	*2004*	*2005*	*2004*	*2004*
Chile Value Latest Year	*0.3*	*78.2*	*31*	*91.0*	*95.0*	*99.8*	*90.5*	*0.7*	*2.9*
Latest Year Mexico	*2005*	*2005*	*2000*	*2004*	*2004*	*2004*	*2005*	.	*2004*
Mexico Value Latest Year	*0.3*	*75.4*	*83*	*79.0*	*97.0*	*83.3*	*97.0*	.	*3.0*
LMI-LAC Median	*0.6*	*70.5*	*150.0*	*79.0*	*89.0*	*84.5*	*88.0*	*7.6*	*3.5*
Lower Middle Income Median	*0.3*	*69.2*	*120.0*	*73.0*	*85.0*	*89.1*	*89.5*	*10.6*	*3.2*
Low Five Avg.	*0.4*	*37.0*	*2.6*	*11.4*	*34.0*	*11.4*	*33.2*	*2.1*	*0.6*
High Five Avg.	*24.1*	*81.3*	*1,800.0*	*100.0*	*100.0*	*100.0*	*99.0*	*48.2*	*11.2*

	Education					
	Net Primary Enrollment Rate, Total	Net Primary Enrollment Rate, Female	Net Primary Enrollment Rate, Male	Persistence to Grade 5, Total	Persistence to Grade 5, Female	Persistence to Grade 5, Male
Indicator Number	32P1a	32P1b	32P1c	32P2a	32P2b	32P2c
Colombia Data						
Latest Year (T)	*2006*	*2006*	*2006*	*2004*	*2004*	*2004*
Value Year T	*88.5*	*88.4*	*88.6*	*83.2*	*86.0*	*80.6*
Value Year T-1	*89.7*	*89.6*	*89.8*	*77.5*	*80.2*	*74.9*
Value Year T-2	*85.7*	*86.2*	*85.3*	*66.8*	*70.0*	*63.8*
Value Year T-3	.	.	.	*69.4*	*72.8*	*66.3*
Value Year T-4	*89.7*	*89.1*	*90.2*	*60.9*	*63.0*	*59.0*
Average Value, 5 year	.	.	.	*71.6*	*74.4*	*68.9*
Growth Trend	.	.	.	*7.3*	*7.2*	*7.5*
Benchmark Data						
Regression Benchmark	*94.0*	.	.	*83.7*	.	.
Lower Bound	*86.3*	.	.	*76.2*	.	.
Upper Bound	*101.6*	.	.	*91.3*	.	.
Latest Year Chile	*2005*	*2005*	*2005*	*2003*	*2003*	*2003*
Chile Value Latest Year	*89.7*	*88.9*	*90.5*	*99.0*	*98.7*	*99.2*
Latest Year Mexico	*2005*	*2005*	*2005*	*2003*	*2003*	*2003*
Mexico Value Latest Year	*98.0*	*97.9*	*98.1*	*92.6*	*93.5*	*91.8*
LMI-LAC Median	*92.5*	*91.5*	*92.3*	*73.8*	*77.6*	*71.5*
Lower Middle Income Median	*90.9*	*90.9*	*90.8*	*81.7*	*84.0*	*82.1*
Low Five Avg.	*40.6*	*36.5*	*43.5*	*43.2*	*39.6*	*43.6*
High Five Avg.	*99.4*	*99.3*	*99.8*	*99.7*	*99.9*	*99.9*

	Education (Cont'd)									
	Youth Literacy Rate, Total	Youth Literacy Rate, Male	Youth Literacy Rate, Female	Net Secondary Enrollment Rate, Total	Gross Tertiary Enrollment Rate, Total	Expenditure on Primary Education, % GDP	Educational Expenditure per Student, % GDP per capita, Primary	Educational Expenditure per Student, % GDP per capita, Secondary	Educational Expenditure per Student, % GDP per capita, Tertiary	Pupil-teacher Ratio, Primary School
Indicator Number	32P3a	32P3b	32P3c	32P4	32P5	32S1	32S2a	32S2b	32S2c	32S3
Colombia Data										
Latest Year (T)	*2006*	*2006*	*2006*	*2004*	*2005*	*2007*	*2005*	*2005*	*2005*	*2005*
Value Year T	*98.0*	*97.6*	*98.4*	*54.9*	*28.3*	*2.0*	*19.5*	*18.4*	*24.6*	*28.5*
Value Year T-1	.	.	.	.	*26.9*	*2.2*	*20.4*	*19.5*	*26.5*	*28.0*
Value Year T-2	.	.	.	*55.3*	*24.0*	.	.	.	.	*26.8*
Value Year T-3	.	.	.	*53.5*	*24.2*	.	*17.2*	*17.2*	*30.1*	*26.8*
Value Year T-4	.	.	.	*56.5*	*24.0*	.	*16.5*	*18.6*	*38.7*	*26.0*
Average Value, 5 year	.	.	.	.	*25.5*	.	.	.	.	*27.2*
Growth Trend	.	.	.	.	*4.4*	.	.	.	.	*2.3*
Benchmark Data										
Regression Benchmark	*98.0*	.	.	*66.7*	*34.7*	.	.	.	.	.
Lower Bound	*89.7*	.	.	*58.6*	*27.5*	.	.	.	.	.
Upper Bound	*106.3*	.	.	*74.8*	*42.0*	.	.	.	.	.
Latest Year Chile	*2006*	*2006*	*2006*	.	*2004*	.	*2004*	*2004*	*2004*	*2004*
Chile Value Latest Year	*99.0*	*98.8*	*99.2*	.	*43.0*	.	*12.8*	*14.2*	*15.5*	*27.3*
Latest Year Mexico	*2006*	*2006*	*2006*	*2004*	*2004*	.	*2003*	*2003*	*2003*	*2004*
Mexico Value Latest Year	*97.6*	*97.5*	*97.6*	*63.8*	*23.4*	.	*15.5*	*16.8*	*44.1*	*28.5*
LMI-LAC Median	*95.7*	*96.0*	*95.5*	*54.9*	*19.1*	*2.1*	*12.4*	*12.9*	*33.1*	*27.6*
Lower Middle Income Median	*97.3*	*97.8*	*96.5*	*66.5*	*16.9*	*2.1*	*14.2*	*17.2*	*36.9*	*23.6*
Low Five Avg.	*32.8*	*45.9*	*21.3*	*6.8*	*0.5*	*0.4*	*3.4*	*5.0*	*5.1*	*10.4*
High Five Avg.	*99.9*	*99.9*	*99.9*	*97.0*	*79.4*	*7.1*	*31.0*	*55.0*	*689.4*	*71.2*

	Employment and Workforce						
	Labor Force Participation Rate, Total	Rigidity of Employment Index (0 for minimum rigidity to 100 for maximum rigidity)	Size of the Labor Force	Growth of the Labor Force, Labor Force, Annual % Change	Unemployment Rate	Economically Active Children, % Children Ages 7-14	Firing Costs, Weeks of Wages
Indicator Number	33P1	33P2	33P3a	33P3b	33P4	33P5	33S1
Colombia Data							
Latest Year (T)	*2005*	*2007*	*2005*	*2005*	*2006*	*2001*	*2007*
Value Year T	*76.7*	*27.0*	*22,339,580*	*2.7*	*12.0*	*12.2*	*59.0*
Value Year T-1	*76.2*	*27.0*	*21,754,898*	*2.8*	*11.8*	*.*	*59.0*
Value Year T-2	*75.6*	*27.0*	*21,155,175*	*2.6*	*13.6*	*.*	*59.0*
Value Year T-3	*75.2*	*27.0*	*20,628,483*	*3.0*	*14.2*	*.*	*59.0*
Value Year T-4	*74.5*	*27.0*	*20,022,607*	*3.1*	*15.7*	*.*	*59.0*
Average Value, 5 year	*75.6*	*27.0*	*21,180,148*	*2.8*	*13.5*	*.*	*59.0*
Growth Trend	*0.7*	*0.0*	*2.7*	*.*	*-7.2*	*.*	*0.0*
Benchmark Data							
Regression Benchmark	*73.0*	*43.2*	*.*	*2.7*	*11.9*	*11.0*	*.*
Lower Bound	*68.4*	*32.1*	*.*	*1.2*	*9.5*	*0.4*	*.*
Upper Bound	*77.6*	*54.3*	*.*	*4.2*	*14.4*	*21.7*	*.*
Latest Year Chile	*2005*	*2007*	*2005*	*2005*	*2004*	*2003*	*2007*
Chile Value Latest Year	*59.6*	*24.0*	*6,512,221*	*1.1*	*7.8*	*8.8*	*52.0*
Latest Year Mexico	*2005*	*2007*	*2005*	*2005*	*2004*	*.*	*2007*
Mexico Value Latest Year	*64.4*	*48.0*	*42,262,111*	*1.4*	*3.0*	*.*	*52.0*
LMI-LAC Median	*70.1*	*28.0*	*3,489,954*	*2.6*	*8.4*	*12.5*	*74.0*
Lower Middle Income Median	*67.2*	*30.5*	*2,455,780*	*2.5*	*10.2*	*.*	*52.5*
Low Five Avg.	*49.8*	*0.0*	*7,986*	*-1.0*	*1.7*	*2.8*	*0.0*
High Five Avg.	*92.4*	*72.6*	*313,014,657*	*6.0*	*29.7*	*70.2*	*226.3*

	Agriculture						
	Agriculture Value Added per Worker	Cereal Yield	Growth in Agricultural Value-Added	Agricultural Policy Costs Index (1 for poor to 7 for excellent)	Crop Production Index (1999-2001 = 100)	Livestock Production Index (1999-2001 = 100)	Agricultural Export Growth
Indicator Number	34P1	34P2	34P3	34S1	34S2	34S3	34S4
Colombia Data							
Latest Year (T)	*2004*	*2005*	*2005*	*2007*	*2004*	*2004*	*2005*
Value Year T	*3,157.2*	*3,613.8*	*2.1*	*3.7*	*110.9*	*109.0*	*31.5*
Value Year T-1	*3,017.0*	*3,601.3*	*4.2*	*3.5*	*107.7*	*107.3*	*-0.7*
Value Year T-2	*2,924.8*	*3,485.0*	*2.7*	*.*	*103.5*	*105.0*	*4.9*
Value Year T-3	*2,911.8*	*3,394.3*	*0.1*	*.*	*101.9*	*103.6*	*11.1*
Value Year T-4	*2,914.5*	*3,334.9*	*-0.4*	*.*	*101.5*	*100.1*	*5.5*
Average Value, 5 year	*2,985.1*	*3,485.9*	*1.8*	*.*	*105.1*	*105.0*	*10.5*
Growth Trend	*2.0*	*2.2*	*.*	*.*	*2.3*	*2.1*	*.*
Benchmark Data							
Regression Benchmark	*3,452.9*	*3,094.2*	*0.9*	*.*	*.*	*.*	*.*
Lower Bound	*2,071.7*	*2,456.9*	*-3.3*	*.*	*.*	*.*	*.*
Upper Bound	*4,834.1*	*3,731.4*	*5.2*	*.*	*.*	*.*	*.*
Latest Year Chile	*2004*	*2005*	*2005*	*2007*	*2004*	*2004*	*2005*
Chile Value Latest Year	*5,436.6*	*5,812.8*	*3.8*	*4.8*	*113.8*	*112.7*	*1.6*
Latest Year Mexico	*2004*	*2005*	*2005*	*2007*	*2004*	*2004*	*2005*
Mexico Value Latest Year	*2,876.7*	*2,835.7*	*-1.5*	*3.4*	*106.0*	*110.6*	*7.8*
LMI-LAC Median	*2,030.0*	*2,554.4*	*2.6*	*3.6*	*107.1*	*107.0*	*7.2*
Lower Middle Income Median	*1,395.2*	*2,396.7*	*3.0*	*3.6*	*109.5*	*108.0*	*10.2*
Low Five Avg.	*94.8*	*319.0*	*-13.9*	*2.6*	*67.5*	*86.1*	*-23.4*
High Five Avg.	*44,368.0*	*8,429.8*	*14.8*	*5.1*	*146.2*	*148.4*	*1,079.1*

Technical Notes

The following technical notes identify the source for each indicator, provide a concise definition, indicate the coverage of USAID countries, and comment on data quality where pertinent. For reference purposes, a CAS code is also given for each indicator. In many cases, the descriptive information is taken directly from the original sources, as cited.

STATISTICAL CAPACITY

Statistical Capacity Indicator

Source: World Bank, updated annually, at http://web.worldbank.org/WBSITE/EXTERNAL/DATASTATISTICS/0,,contentMDK:20541648~pagePK:64133150~piPK:64133175~theSitePK:239419,00.html

Definition: Provides and evaluation of a country's' statistical practice, data collection activities and key indicator availability against a set of criteria consistent with international recommendations. The score ranges from 0 to 100 with a score of 100 indicating that the country meets all the criteria.

Coverage: Data are available for the vast majority of USAID countries.

CAS Code # 01P1

GROWTH PERFORMANCE

Per capita GDP, in Purchasing Power Parity Dollars

Source: IMF World Economic Outlook database, updated every six months, at http://www.imf.org/external/ns/cs.aspx?id=28

Definition: This indicator adjusts per capita GDP measured in current U.S. dollars for differences in purchasing power, using an estimated exchange rate reflecting the purchasing power of the various local currencies.

Coverage: Data are available for about 85 USAID countries.

CAS Code #11P1

Per capita GDP, in current US Dollars

Source: IMF World Economic Outlook database, updated every 6 months, at:

http://www.imf.org/external/ns/cs.aspx?id=28

Definition: GDP per capita is gross domestic product divided by midyear population. GDP is the sum of gross value added by all resident producers plus any product taxes, less any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources.

Coverage: Data are available for about 85 USAID countries.

CAS Code #11P2

Real GDP Growth

Source: IMF World Economic Outlook database, updated every six months; latest country data from IMF Article IV consultation reports:

www.imf.org/external/np/sec/aiv/index.htm

Definition: Annual percentage growth rate of GDP at constant local currency prices

Coverage: Data are available for about 85 USAID countries.

CAS Code #11P3

Growth of Labor Productivity

Source: Best labor market data available for target country, or World Development Indicators. If using WDI, estimated by calculating the annual percentage change of the ratio of GDP (constant 1995 US$) (NY.GDP.MKTP.KD) to the population age 15–64, which in turn is the product of the total population (SP.POP.TOTL) times the percentage of total population in this age group (SP.POP.1564.IN.ZS).

Definition: Labor productivity is defined here as the ratio of GDP (in constant prices) to the size of the working age population (age 15–64). The more familiar calculation, based on employment, labor force, or work hours, is used where available.

Coverage: Data are available for about 85 USAID countries.

CAS Code # 11S1

Investment Productivity, Incremental Capital-Output Ratio (ICOR)

Source: International benchmark data computed from World Development Indicators most recent publication year, based on the five-year average of the share of fixed investment (NE.GDI.FTOT.ZS) and the five-year average GDP growth (NY.GDP.MKTP.KD.ZG). Updated figures for the target country are computed from IMF Article IV consultation reports.

Definition: The ICOR shows the amount of capital investment incurred per extra unit of output. A high value represents low investment productivity. The ICOR is calculated here as the ratio of the investment share of GDP to the growth rate of GDP, using five-year averages for both the numerator and denominator.

Coverage: Data are available for about 81 USAID countries.

CAS Code #11S2

Gross Fixed Investment, Percentage of GDP

Source: IMF Article IV consultation report for latest country data; international benchmark from the World Development Indicators, most recent publication series NE.GDI.FTOT.ZS.

Definition: Gross fixed investment is spending on replacing or adding to fixed assets (buildings, machinery, equipment and similar goods).

Coverage: Data are available for about 84 USAID countries.

CAS Code # 11S3

Gross Fixed Private Investment, Percentage of GDP

Source: IMF Article IV consultation report, for latest country data; World Development Indicators, for international comparison data (explanation below). The estimation of this indicator involves taking the difference between gross fixed capital formation (percent of GDP) (NE.GDI.FTOT.ZS) and government capital expenditure (percent of GDP). The latter

term is the product of government capital expenditure (percent of total expenditure) (GB.XPK.TOTL.ZS) and total government expenditure (percent of GDP) (GB.XPD.TOTL.GD.ZS).

Definition: This indicator measures gross fixed capital formation by nongovernment investors, including spending for replacement or net addition to fixed assets (buildings, machinery, equipment, and similar goods).

Coverage: Available from World Development Indicators 2004 for about 38 USAID countries. Starting in 2005, WDI no longer reports government capital expenditure, which is needed to compute this variable. The reason is that the World Bank has adopted a new system for government finance statistics, which switches from reporting budget performance based on cash outlays and receipts, to a modified accrual accounting system in which government capital formation is a balance sheet entry, and only the consumption of fixed capital (that is, a depreciation allowance) is treated as an expense. The template will include this variable when the required data can be obtained from IMF Article IV consultation report or national data sources. Group and regression benchmarks will be computed from WDI 2004 (since group averages tend to be relatively stable).

Data Quality: National statistics offices may have different methodologies for breaking down total government expenditure into current and capital components. In particular, the data on "development expenditure" in many countries include elements of current expenditure.

CAS Code #11S4

POVERTY AND INEQUALITY

Human Poverty Index

Source: UNDP, Human Development Report.

http://hdr.undp.org/statistics/data/indicators.cfm?x=18&y=1&z=1 for most recent edition; updates may be found at http://hdr.undp.org/reports/view_reports.cfm?type=1

Definition: The index measures deprivation in terms of not meeting target levels for specified economic and quality-of-life indicators. Values are based on (1) percentage of people not expected to survive to age 40, (2) percentage of adults who are illiterate, and (3) percentage of people who fail to attain a "decent living standard," which is subdivided into three (equally weighted) separate items: (a) percentage of people without access to safe water, (b) percentage of people without access to health services, and (c) percentage of underweight children. The HPI ranges in value from 0 (zero deprivation incidence) to 100 (high deprivation incidence).

Coverage: Data are available for about 60 USAID countries.

CAS Code #12P1

Income Share, Poorest 20%

Source: World Development Indicators, most recent publication series SI.DST.FRST.20. These are World Bank staff estimates based on primary household survey data obtained from government statistical agencies and World Bank country departments. Alternative source for target countries: the country's Poverty Reduction Strategy Paper: http://www.imf.org/external/np/prsp/prsp.asp

Definition: Share of total income or consumption accruing to the poorest quintile of the population.

Coverage: Data are available for about 59 USAID countries, if one goes back to 1997; for the period since 2000, data are available for about 35 USAID countries.

CAS Code # 12P2

Percentage of Population Living on Less than $1 PPP per Day

Source: World Development Indicators, most recent publication series SI.POV.DDAY, original data from national surveys. Alternative source for target countries: the country's Poverty Reduction Strategy Paper:

http://www.imf.org/external/np/prsp/prsp.asp

Definition: The indicator captures the percentage of the population living on less than $1.08 a day at 1993 international prices.

Coverage: Data are available for about 59 USAID countries going back to 1997; data for 2000 or later are available for about 35 USAID countries.

Data Quality: Poverty data originate from household survey questionnaires that can differ widely; even similar surveys may not be strictly comparable because of difference in quality.

CAS Code #12P3a

Percentage of Population Living on Less than $2 PPP per Day

Source: World Development Indicators, most recent publication series SI.POV.2DAY, original data from national surveys. Alternative source for target countries: the country's Poverty Reduction Strategy Paper:
http://www.imf.org/external/np/prsp/prsp.asp

Definition: The indicator captures the percentage of the population living on less than $2.15 a day at 1993 international prices.

Coverage: Data are available for about 59 USAID countries going back to 1997; data for 2000 or later are available for about 35 USAID countries.

Data Quality: Poverty data originate from household survey questionnaires that can differ widely; even similar surveys may not be strictly comparable because of difference in quality.

CAS Code #12P3b

Poverty Headcount, National Poverty Line

Source: World Development Indicators, most recent publication series SI.POV.NAHC. Alternative source: the country's Poverty Reduction Strategy Paper: http://www.imf.org/external/np/prsp/prsp.asp

Definition: The percentage of the population living below the national poverty line. National estimates are based on population-weighted estimates from household surveys

Coverage: Data available for only 19 countries for 2000 or later; data are available for about 49 countries going back to 1997. For most target countries, data can be obtained from the PRSP.

Data Quality: Measuring the percentage of people below the "national poverty line" has the disadvantage of limiting international comparisons because of differences in the definition of the poverty line. Most lower-income countries, however, determine the national poverty line by the level of consumption required to have a minimally sufficient food intake plus other basic necessities.

CAS Code #12P4

PRSP Status

Source: World Bank/IMF. A list of countries with a Poverty Reduction Strategy Paper can be found at http://www.imf.org/external/np/prsp/prsp.asp

Definition: Yes or no variable showing whether a country has (or not) completed a PRSP (introduced by the World Bank

and IMF to ensure host-country ownership of poverty reduction programs).

Coverage: All countries having PRSPs are so indicated.

CAS Code #12P5

Percent of Population below Minimum Dietary Energy Consumption

Source: UN Millennium Indicators Database at http://millenniumindicators.un.org/unsd/mdg/Data.aspx, based on FAO estimates.

Definition: Proportion of the population in a condition of undernourishment. The FAO defines undernourishment as the condition of people whose dietary energy consumption is continuously below a minimum dietary energy requirement for maintaining a healthy life and carrying out light physical activity.

Coverage: Data are available for about 82 USAID countries.

CAS Code # 12S1

ECONOMIC STRUCTURE

Employment or Labor Force Structure

Source: World Development Indicators, most recent publication series SL.AGR.EMPL.ZS for agriculture, series SL.IND.EMPL.ZS for industry, and series SL.SRV.EMPL.ZS for services. Alternative source: CIA World Fact Book: https://www.cia.gov/library/publications/the-world-factbook/index.html

Definition: Employment in each sector is the proportion of total employment recorded as working in that sector. Employees are people who work for a public or private employer and receive remuneration in wages, salary, commission, tips, piece rates, or pay in kind. Agriculture includes hunting, forestry, and fishing. Industry includes mining and quarrying (including oil production), manufacturing, electricity, gas and water, and construction. Services include wholesale and retail trade and restaurants and hotels; transport, storage, and communications; financing, insurance, real estate, and business services; and community, social, and personal services.

Coverage: Data are available for about 37 USAID countries. For most target countries, data can be obtained from PRSP.

Data Quality: Employment figures originate with International Labor Organization. Some countries report labor force structure instead of employment, thus the data must be checked carefully before comparisons are made.

CAS Code #13P1

Output Structure

Source: World Development Indicators, most recent publication series NV.AGR.TOTL.ZS for value added in agriculture as a percentage of GDP; series NV.IND.TOTL.ZS for the share of industry; and NV.SRV.TETC.ZS for the share of services.

Definition: The output structure is composed of value added by major sector of the economy (agriculture, industry, and services) as percentages of GDP, where value added is the net output of a sector after all outputs are added up and intermediate inputs are subtracted. Value added is calculated without deductions for depreciation of fabricated assets or depletion and degradation of natural resources. Agriculture includes forestry, hunting, and fishing, as well as cultivation of crops and livestock production. Industry includes manufacturing, mining, construction, electricity, water, and gas. Services include wholesale and retail trade (including hotels and restaurants), transport, and government, financial, professional, and personal services such as education, health care, and real estate services.

Coverage: Data are available for about 86 USAID countries.

Data Quality: A major difficulty in compiling national accounts is the extent of unreported activity in the informal economy. In developing countries a large share of agricultural output is either not exchanged (because it is consumed within the household) or not exchanged for money. This production is estimated indirectly using estimates of inputs, yields, and area under cultivation. This approach can differ from the true values over time and across crops. Ideally, informal activity in industry and services is measured through regular enterprise censuses and surveys. In most developing countries such surveys are infrequent, so prior survey results are extrapolated.

CAS Code #13P2

DEMOGRAPHY AND ENVIRONMENT

Adult Literacy Rate

Source: World Development Indicators, most recent publication series SE.ADT.LITR.ZS, based on UNESCO calculations.

Definition: Percentage of people ages 15 and older who can read and write a short, simple statement about their daily life.

Coverage: Data are available for about 66 USAID countries.

Data Quality: In practice, literacy is difficult to measure. A proper estimate requires census or survey measurements under controlled conditions. Many countries estimate the number of illiterate people from self-reported data, or by taking people with no schooling as illiterate.

CAS Code # 14P1

Youth Dependency Rate

Source: World Development Indicators, most recent publication series.

Definition: Youth dependency rate is calculated as the percentage of the population below age 15 (WDI SP.POP.0014.TO.ZS) divided by the working-age population (those ages 15–64) (WDI SP.POP.1564.TO.ZS)

Coverage: Data are available for about 89 USAID countries.

CAS Code #14P2a

Elderly Dependency Rate

Source: World Development Indicators, most recent publication series.

Definition: This is calculated as percentage of the population over age 65 (WDI SP.POP.65UP.TO.ZS) divided by working-age population (those ages 15–64) (WDI SP.POP.1564.TO.ZS)

Coverage: Data are available for about 89 USAID countries.

CAS Code #14P2b

Environmental Performance Index

Source: Center for International Earth Science Information Network (CIESIN) at Columbia University, and the Center for Environmental Law and Policy at Yale University. http://www.yale.edu/epi/ .

Definition: The Environmental Performance Index (EPI) is a composite index of national environmental protection, which tracks (1) environmental health, (2) air quality, (3) water resources, (4) biodiversity and habitat, (5) productive natural

resources, and (6) sustainable energy. The index is a weighted average of these six policy categories, with more weight given environmental health, (i.e., EPI = 0.5 × environmental health + 0.1 × (air quality + water resources + productive natural resources + biodiversity and habitat + sustainable energy)). The index values range from 0 (very poor performance) to 100 (very good performance). The 2006 edition is considered a work in progress.

Coverage: Data are available for about 80 USAID countries.

CAS Code #14P3

Population Size and Growth

Source: World Development Indicators, most recent publication series SP.POP.TOTL for total population, and series SP.POP.GROW for the population growth rate.

Definition: Total population counts all residents regardless of legal status or citizenship—except refugees not permanently settled in the country of asylum. Annual population growth rate is based on the de facto definition of population.

Coverage: Data are available for about 88 USAID countries.

CAS Code # 14P4

Percent of Population Living In Urban Areas

Source: World Development Indicators, most recent publication series SP.URB.TOTL.IN.ZS.

Definition: Urban population is the share of the total population living in areas defined as urban in each country. The calculation considers all residents regardless of legal status or citizenship, except refugees.

Coverage: Data are available for about 86 USAID countries.

Data Quality: The estimates are based on national definitions of what constitutes an urban area; since these definitions vary greatly, cross-country comparisons should be made with caution.

CAS Code #14P5

GENDER

Girls' Primary Completion Rate

Source: World Development Indicators, most recent publication series: SE.PRM.CMPT.FE.ZS

Definition: Primary completion rate is the percentage of students completing the last year of primary school. It is calculated by taking the total number of students in the last grade of primary school, minus the number of repeaters in that grade, divided by the total number of children of official graduation age.

Coverage: Data are available for about 80 USAID countries.

Data Quality: Completion rates are based on data collected during annual school surveys, typically conducted at the beginning of the school year. The indicator does not measure the quality of the education.

CAS Code #15P1

Gross Enrollment Rate, All Levels of Education, Male and Female

Source: UNDP Human Development Report http://hdr.undp.org/hdr2006/statistics/indicators/225.html and

http://hdr.undp.org/hdr2006/statistics/indicators/224.html

Definition: The number of students enrolled in primary, secondary, and tertiary levels of education by sex, regardless of age, as a percentage of the population of official school age for the three levels by sex.

Coverage: Data are available for about 80 USAID countries.

Data Quality: Enrollment rates are based on data collected during annual school surveys, typically conducted at the beginning of the school year.

CAS Code #15P2

Life Expectancy, Male and Female

Source: Estimated from UNDP Human Development Indicators:
http://hdr.undp.org/hdr2006/statistics/indicators/221.html.

Definition: The number of years a newborn male or female infant would live if prevailing patterns of age and sex-specific mortality rates at the time of birth were to stay the same throughout the child's life.

Coverage: Data are available for about 85 USAID countries.

CAS Code #15P3

Labor Force Participation Rate, Male and Female

Source: Derived from World Development Indicators, but the precise computation differs depending on the edition of WDI used for the data.

To calculate the female labor force participation rate using WDI 2007: the numerator is the labor force, female (% of total labor force) (SL.TLF.TOTL.FE.ZS) times labor force, total (SL.TLF.TOTL.IN); the denominator is simply population ages 15–64, female (SP.POP.1564.FE.IN). Using WDI 2006, the denominator (female population, ages 15–64), can only be estimated by multiplying the total population (SP.POP.TOTL) times the percentage of the population ages 15–64 (SP.POP.1564.IN.ZS) times the percentage of females in the total population (SP.POP.TOTL.FE.ZS).

To calculate the male labor force participation rate using WDI 2004: the numerator is calculated by subtracting the female labor force, derived above, from the total labor force (SL.TLF.TOTL.IN). The denominator is population ages 15–64, male (SP.POP.1564.MA.IN). Using WDI 2006 and subsequent years, the denominator is an estimate of the male population, ages 15–64, calculated as the total population (SP.POP.TOTL) times the percentage ages 15–64 (SP.POP.1564.IN.ZS) times the percentage of males in the total population, where the final factor is computed as 100 minus the percentage of females in the total population (SP.POP.TOTL.FE.ZS).

Definition: The percentage of the working-age population that is in the labor force. The labor force is made up of people who meet the International Labour Organization definition of the economically active population: all people who supply labor for the production of goods and services during a specified period. It includes both the employed and the unemployed.

Coverage: Data are available for about 88 USAID countries.

CAS Code #15P4

FISCAL AND MONETARY POLICY

In the World Development Indicators for 2005, the World Bank has adopted a new system for government budget statistics, switching from data based on cash outlays and receipts to a system with revenues booked on receipt and expenses booked on accrual, in accordance with the IMF's *Government Financial Statistics Manual, 2001*. On the revenue side, the changes are minor, and comparisons to the old system may still be valid. There is a major change, however, in the reporting of capital outlays, which are now treated as balance sheet entries; only the annual capital consumption allowance (depreciation) is reported as an expense. Hence, the data on total *expense* is not comparable

to the former data on total *expenditure*. In addition, WDI 2005 now provides data on the government's cash surplus/deficit; this differs from the previous concept of the overall budget balance by excluding net lending minus repayments (which are now a financing item under net acquisition of financial assets). Many countries do not use the new GFS system, so country coverage of fiscal data in WDI 2005 is limited. For these reasons, the template will continue to use some data from WDI 2004, along with new data from WDI 2005 and subsequent WDI series, as appropriate.

Government Expenditure, Percentage of GDP

Source: IMF Article IV consultation report for latest country data www.imf.org/external/np/sec/aiv/index.htm; International Financial Statistics database for benchmarking (line item 82 divided by GDP).

Definition: Total expenditure of the central government as a percent of GDP.

Gaps: Data available for about 70% of USAID countries.

CAS Code # 21P1

Government Revenue, excluding grants, Percentage of GDP

Source: IMF Article IV consultation report for latest country data www.imf.org/external/np/sec/aiv/index.htm; World Development Indicators for benchmarking data (GB.RVC.TOTL.GD.ZS). Original data from the IMF, Government Finance Statistics Yearbook and data file, and World Bank estimates.

Definition: Government revenue includes all revenue to the central government from taxes and non-repayable receipts (other than grants), measured as a share of GDP. Grants represent monetary aid going to the central government that has no repayment requirement.

Gaps: Data missing for about 24 USAID countries.

CAS Code # 21P2

Growth in Broad Money Supply

Source: Latest country data are from national data sources or from IMF Article IV consultation report: www.imf.org/external/np/sec/ aiv/index.htm. Benchmarking data are from World Development Indicators, most recent publication, series FM.LBL.MQMY.ZG. Original source of WDI data is IMF, International Financial Statistics, and World Bank estimates.

Definition: Average annual growth rate in the broad money supply, M2 (money plus quasi-money) measured as the change in end-of-year totals relative to the preceding year. M2 comprises the sum of currency outside banks, checking account deposits other than those of the central government, and the time, savings, and foreign currency deposits of resident sectors other than the central government. M2 corresponds to the sum of lines 34 and 35 in the IMF's International Financial Statistics.

Coverage: Data are available for about 81 USAID countries.

CAS Code #21P3

Inflation Rate

Source: IMF World Economic Outlook database, updated every six months, at http://www.imf.org/external/ns/cs.aspx?id=28

Definition: Inflation as measured by the consumer price index reflects the annual percentage change in the cost to the average consumer of acquiring a basket of goods and services that may be fixed or changed at specific intervals.

Coverage: Data are available for about 85 USAID countries.

Data Quality: For many developing countries, figures for recent years are IMF staff estimates. Additionally, data for some countries are for fiscal years.

CAS Code # 21P4

Overall Budget Balance, Including Grants, Percentage of GDP

Source: For countries using the new GFS system (see explanation at the beginning of this section), benchmarking data on the government's cash surplus/deficit are obtained from World Development Indicators, most recent publication series GC.BAL.CASH.GD.ZS. For countries that are not yet using the new system, benchmarking data on the overall budget balance are obtained from WDI 2004, series GB.BAL.OVRL.GD.ZS. Latest country data are obtained from national data sources or from IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm.

Definition: The cash surplus/deficit is revenue (including grants) minus expenses, minus net acquisition of nonfinancial assets. This is close to the previous concept of *overall budget balance*, differing only in that it excludes net lending (which is now treated as a financing item, under net acquisition of financial assets).

For countries that are not using the new GFS system, the template will continue to focus on the ***overall budget balance***, using data from the alternative sources indicated above. The overall budget deficit is defined as the difference between total revenue (including grants) and total expenditure.

Both concepts measure the central government's financing requirement, which must be met by domestic or foreign borrowing. As noted above, they differ in that the new cash surplus/deficit variable excludes net lending (which is usually a minor item).

Coverage: Data are available in WDI 2006 for less than half USAID countries.

CAS Code # 21P5

Composition of Government Expenditure

Source: The latest country and benchmark data are taken from national data sources or from IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm.

Definition: Central government expenditure, broken down into the following five categories:. (1) wages and salaries; (2) goods and services; (3) interest payments; (3) subsidies and other current transfers; (4) capital expenditures; (5) other expenditure.

Coverage: Data are available for the majority of USAID countries. As explained at the beginning of this section, WDI stopped reporting government *expenditures* in 2005. The template will include this variable when the required data can be obtained from IMF Article IV consultation report or national data sources for the target country and the comparison countries. *Data Quality:* Many countries report their revenue in noncomparable categories. Budget data are compiled by fiscal year. If the fiscal year differs from the calendar year, ratios to GDP may be calculated by interpolating budget data from two adjacent fiscal years.

CAS Code # 21S1

Composition of Government Revenue

Source: The latest country and comparison country data are taken from national data sources or from IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm. Benchmarking

data are taken directly from WDI 2005 database: (1) taxes on goods and services (% of revenue), series GC.TAX.GSRV.RV.ZS; (2) taxes on income, profits and capital gains (% of revenue), series GC.TAX.YPKG.RV.ZS; (3) taxes on international trade (% of revenue), series GC.TAX.INTT.RV.ZS; (4) other taxes (% of revenue), series GC.TAX.OTHR.RV.ZS; (5) social security contributions (% of revenue), series GC.REV.SOCL.ZS; and (6) grants and other revenue (% of revenue), series GC.REV.GOTR.ZS.

Definition: Breakdown of central government revenue sources by categories outlined above. Each source of revenue is expressed as a percentage of total revenue.

Coverage: Data are available from WDI 2005 for about 46 USAID countries.

Data Quality: Many countries report their revenue in noncomparable categories. If the fiscal year differs from the calendar year, then the ratios to GDP may be calculated by interpolating budget data from two adjacent fiscal years.

CAS Code # 21S2

Composition of Money Supply Growth

Source: Constructed using national data sources or IMF Article IV consultation reports: www.imf.org/external/np/sec/ aiv/index.htm.

Definition: Identifies the sources of the year-to-year change in the broad money supply (M2), disaggregated into five categories: (1) net domestic credit to the public sector, (2) net domestic credit to the private sector, and (3) net foreign assets (reserves), (4) net credit to non-financial public enterprises, and (5) other items, net. Each component is expressed as a percentage of the annual change (December to December) in M2.

Coverage: Data are available for about 86 USAID countries.

CAS Code # 21S3

BUSINESS ENVIRONMENT

Control of Corruption Index

Source: World Bank Institute
http://www.govindicators.org

Definition: The Control of Corruption index is an aggregation of various indicators that measure the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests. Index ranges from -2.5 (for very poor performance) to +2.5 (for excellent performance).
This is also an MCC indicator, under the criterion of ruling justly. The MCC rescales the values as percentile rankings relative to the set of MCA eligible countries, ranging from a value from 0 (for very poor performance) to 100 (for excellent performance). Some country reports use the MCC scaling.

Coverage: Data are available for nearly all USAID countries.

Data Quality: This indicator uses perception and opinions gathered from local businessmen as well as third-party experts; thus, the indicator is largely subjective. Also standard errors are large. For both reasons, international comparisons are problematic, though widely used.

CAS Code # 22P1

Ease of Doing Business Index

Source: World Bank, Doing Business Indictors http://rru.worldbank.org/DoingBusiness/

Definition: The Ease of Doing Business index ranks economies from 1 to 178. The index is calculated as the ranking on the simple average of country percentile rankings on each of the 10 topics covered in Doing Business in 2007: starting a business, dealing with licenses, hiring and firing, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts, and closing a business.

Coverage: Data are available for nearly all USAID countries.

CAS Code # 22P2

Rule of Law Index

Source: World Bank Institute, http://www.govindicators.org

This indicator is based on the perceptions of the legal system, drawn from 12 data sources.

Definition: The Rule of Law index is an aggregation of various indicators that measure the extent to which agents have confidence in and abide by the rules of society. Index ranges from -2.5 (for very poor performance) to +2.5 (for excellent performance).

Coverage: Data are available for nearly all USAID countries.

Data Quality: This index is best used with caution for relative comparisons between countries in a single year, because the standard errors are large. Using the index to track a country's progress over time is also difficult because the index does not compensate for changes in the world average. For instance, if the world average decreases in a given year, a country whose score appears to increase may not actually have tangible improvements in its legal environment.

CAS Code #22P3

Regulatory Quality Index

Source: World Bank Institute;

http://www.govindicators.org

Definition: The regulatory quality index measures the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development. It is computed from survey data from multiple sources. The index values range from -2.5 (very poor performance) to +2.5 (excellent performance).
This is also an MCC indicator, under the criterion of encouraging economic freedom. The MCC rescales the values as percentile rankings relative to the set of MCA eligible countries, ranging from a value from 0 (for very poor performance) to 100 (for excellent performance). Some country reports use the MCC scaling.

Gaps: Data are available for nearly all USAID countries.

Data Quality: This index is best used with caution for relative comparisons between countries in a single year, because the standard errors are large. It is also difficult to use the index to track a country's progress over time because the index does not compensate for changes in the world average. For instance, if the world average decreases in a given year, a country whose score appears to increase may not actually have tangible improvements in their legal environment.

CAS Code #22P4

Government Effectiveness Index

Source: World Bank Institute, http://www.govindicators.org

Definition: This index, based on 17 component sources, measures **"**the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies." The index values range from

-2.5 (very poor performance) to +2.5 (excellent performance).

Coverage: Data are available for nearly all USAID countries.

CAS Code #22P5

Cost of Starting a Business

Source: World Bank, Doing Business; Starting a Business category:http://rru.worldbank.org/DoingBusiness/ExploreTopics/StartingBusiness/CompareAll.aspx

Definition: Legally required cost to starting a simple limited liability company, expressed as percentage of GNI per capita.

Coverage: Data are available for nearly all USAID countries.

CAS Code #22S1

Procedures to Enforce a Contract

Source: World Bank, Doing Business; Enforcing Contracts category: http://rru.worldbank.org/DoingBusiness/ExploreTopics/EnforcingContracts/CompareAll.aspx

Definition: The number of procedures required to enforce a valid contract through the court system, with *procedure* defined as any interactive step the company must take with government agencies, lawyers, notaries, etc. to proceed with enforcement action.

Coverage: Data are available for nearly all USAID countries.

CAS Code # 22S2

Procedures to Register Property

Source: World Bank, Doing Business; Registering Property category: http://rru.worldbank.org/DoingBusiness/ExploreTopics/RegisteringProperty/CompareAll.aspx

Definition: Number of procedures required to register the transfer of title for business property. A procedure is defined as any step involving interaction between a company or individual and a third party that is necessary to complete the property registration process.

Coverage: Data are available for nearly all USAID countries.

CAS Code #22S3

Procedures to Start a Business

Source: World Bank, Doing Business; Starting a Business category: http://rru.worldbank.org/DoingBusiness/ExploreTopics/StartingBusiness/CompareAll.aspx

Definition: The number of procedural steps required to legalize a simple limited liability company. A procedure is an interaction of a company with government agencies, lawyers, auditors, notaries, and the like, including interactions required to obtain necessary permits and licenses and complete all inscriptions, verifications, and notifications to start operations.

Coverage: Data are available for nearly all USAID countries.

CAS Code # 22S4

Time to Enforce a Contract

Source: World Bank, Doing Business; Enforcing Contracts category: http://rru.worldbank.org/DoingBusiness/ExploreTopics/EnforcingContracts/CompareAll.aspx

Definition: Minimum number of days required to enforce a contract through the court system.

Coverage: Data are available for nearly all USAID countries.

CAS Code # 22S5

Time to Register Property

Source: World Bank, Doing Business; Registering Property category: http://rru.worldbank.org/DoingBusiness/ExploreTopics/RegisteringProperty/CompareAll.aspx

Definition: The time required to accomplish the full sequence of procedures to transfer a property title from the seller to the buyer when a business purchases land and a building in a peri-urban area of the country's most populous city. Every required procedure is included whether it is the responsibility of the seller, the buyer, or where it is required to be completed by a third party on their behalf.

Coverage: Data are available for nearly all USAID countries.

CAS Code #22S6

Time to Start a Business

Source: World Bank, Doing Business; Starting a Business category: http://rru.worldbank.org/DoingBusiness/ExploreTopics/StartingBusiness/CompareAll.aspx

Definition: The number of calendar days needed to complete the required procedures for legally operating a business. If a procedure can be speeded up at additional cost, the fastest procedure, independent of cost, is chosen.

Coverage: Data are available for nearly all USAID countries.

CAS Code #22S7

Total Tax Payable by Business

Source: World Bank, Doing Business, Paying Taxes Category: http://www.doingbusiness.org/ExploreTopics/PayingTaxes/

Definition: The amount of taxes payable by a medium-sized business in the second year of operation, expressed as share of commercial profits. The total amount of taxes is the sum of all the different taxes payable after accounting for deductions and exemptions. The taxes withheld but not paid by the company are excluded. The taxes included can be divided into five categories: profit or corporate income tax, social security contributions and other labor taxes paid by the employer, property taxes, turnover taxes and other small taxes (such as municipal fees and vehicle and fuel taxes). Commercial profits are defined as sales minus cost of goods sold, minus gross salaries, minus administrative expenses, minus other deductible expenses, minus deductible provisions, plus capital gains (from the property sale) minus interest expense, plus interest income and minus commercial depreciation.

Coverage: Data are available for nearly all USAID countries

CAS Code #22S8

Business Costs of Crime, Violence and Terrorism Index

Source: Global Competitiveness Report 2006-2007, World Economic Forum. The indicators can be found in the Data Tables, Section VI.

Definitions: The index measures executives' perceptions of the business costs of terrorism in their respective country. Executives grade, on a scale from 1 to 7, whether crime, violence and terrorism impose (1) significant costs on business, or (7) do not impose significant costs on business.

Coverage: Data are available for about 52 USAID countries.

Data Quality: Comparisons between countries are difficult, because the data are based on executive perceptions.

CAS Code #22S9

Senior Manager Time Spent Dealing with Government Regulations

Source: World Bank Enterprise Surveys, Bureaucracy section, www.enterprisesurveys.org.

Definitions: Average percentage of senior managers' time that is spent in a typical week dealing with requirements imposed by government regulations such as taxes, customs, labor regulations, licensing and registration, and dealings with officials, and completing forms.

Coverage: Data available for about 80 USAID countries.

Data Quality: Same-timeframe comparisons between countries may be difficult; 15-20 enterprise surveys are conducted per year, with country updates expected approximately every three to five years. Surveys are taken of hundreds of entrepreneurs per country who describe the impact of their country's investment climate on their firm.

CAS Code #22S10

FINANCIAL SECTOR

Domestic Credit to Private Sector, Percentage of GDP

Source: IMF-International Financial Statistics financial section, where available; IMF Article IV consultation reports or national data sources for latest country data; World Development Indicators, most recent publication series FS.AST.PRVT.GD.ZS for benchmarking data. The WDI data originate with the IMF, International Financial Statistics and data files, and World Bank estimates.

Definition: Domestic credit to private sector refers to financial resources provided to the private sector, such as through loans, purchases of non-equity securities, and trade credits and other accounts receivable, that establish a claim for repayment. For some countries, these claims include credit to public enterprises.

Coverage: Data are available for about 82 USAID countries.

CAS Code # 23P1

Interest Rate Spread

Source: World Development Indicators, most recent publication series FR.INR.LNDP. Original data from IMF, International Financial Statistics and data files.

Definition: The difference between the average lending and borrowing interest rates charged by commercial or similar banks on domestic currency deposits.

Coverage: Data are available for about 66 USAID countries.

CAS Code # 23P2

Money Supply, Percentage of GDP

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators, most recent publication series FM.LBL.MQMY.GD.ZS. WDI data originate from IMF, International Financial Statistics and data files, and World Bank and OECD GDP estimates.

Definition: Money supply (M2), also called broad money, is defined as nonbank private sector's holdings of notes, coins, and demand deposits, plus savings deposits and foreign currency deposits. Ratio of M2 to GDP is calculated to assess the degree of monetization of an economy.

Coverage: Data are available for about 81 USAID countries.

Data Quality: In some countries M2 includes certificates of deposits, money market instruments, and treasury bills.

CAS Code # 23P3

Stock Market Capitalization Rate, Percentage of GDP

Source: World Development Indicators, most recent publication, series CM.MKT.LCAP.GD.ZS.

Definition: This variable is defined as the market capitalization, also known as market value (the share price times the number of shares outstanding), of all the domestic shares listed on the country's stock exchange as a percentage of GDP.

Coverage: Data are available for about 54 USAID countries.

CAS Code # 23P4

Credit Information Index

Source: World Bank, Doing Business; Getting Credit Category: http://www.doingbusiness.org/ExploreTopics/GettingCredit/Default.aspx?direction=asc&sort=2

Definition: The credit information index measures rules affecting the scope, accessibility and quality of credit information available through either public or private credit registries. The index ranges from 0 to 6, with higher values indicating the availability of more credit information, from either a public registry or a private bureau, to facilitate lending decisions.

Coverage: Data are available for nearly all USAID countries.

Data Quality: The indicator is subjective, as it is based on an opinion poll.

CAS Code # 23P5

Legal Rights of Borrowers and Lenders Index

Source: World Bank Doing Business; Getting Credit category: http://rru.worldbank.org/DoingBusiness/ExploreTopics/GettingCredit/CompareAll.aspx. The index is based on data collected through research of collateral and insolvency laws supported by survey data on secured transactions laws.

Definition: The index measures the degree to which collateral and bankruptcy laws facilitate lending. It ranges in value from 0 (very poor performance) to 10 (excellent performance). It includes three aspects related to legal rights in bankruptcy, and seven aspects found in collateral law.

Coverage: Data are available for nearly all USAID countries.

CAS Code # 23S1

Real Interest Rate

Source: World Development Indicators, most recent publication series FR.INR.RINR.

Definition: Real interest rate is the lending interest rate adjusted for inflation, as measured by the GDP deflator.

Coverage: Data are available for about 68 USAID countries.

CAS Code # 23S2

Number of Active Microfinance Borrowers

Source: The Mix Market.

http://www.mixmarket.org/en/demand/demand.quick.search.asp.

Definition: An aggregate of the number of current borrowers from microfinance institutions as reported by microfinance institutions to The Mix Market.

Coverage: Data are available for about 68 USAID countries.

Data Quality: Data are only available for those microfinance institutions that report to the Mix Market and data are not always updated in a timely fashion.

CAS Code # 23S3

EXTERNAL SECTOR

Aid, Percentage of GNI

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports: www.imf.org/ external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators, most recent publication series DT.ODA.ALLD.GN.ZS.

Definition: The indicator measures official development assistance from OECD countries and official aid from non-OECD countries, as a percentage of the recipient's gross national income.

Coverage: Data are available for about 84 USAID countries.

Data Quality: Data do not include aid given by recipient countries to other recipient countries, and may not be consistent with the country's balance sheets, because data are collected from donors.

CAS Code #24P1

Current Account Balance, Percentage of GDP

Source: Latest country data from national data sources or IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators, most recent publication series BN.CAB.XOKA.GD.ZS, based on IMF, Balance of Payments Statistics Yearbook and data files, World Bank staff estimates, and World Bank and OECD GDP estimates.

Definition: Current account balance is the sum of net exports of goods, services, net income, and net current transfers. It is presented here as a percentage of a country's gross domestic product.

Coverage: Data are available for about 79 USAID countries.

CAS Code # 24P2

Debt Service ratio

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports:

www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators, most recent publication, series DT.TDS.DECT.EX.ZS, based on World Bank, Global Development Finance data.

Definition: Total debt service is the sum of principal repayments and interest actually paid in foreign currency, goods, or services on long-term debt, interest paid on short-term debt and repayments (repurchases and charges) to the IMF. Debt is considered as a percent of exports of goods and services, which includes income and workers' remittances.

Coverage: Data are available for about 77 USAID countries.

Data Quality: See data quality comments to the Present value of debt, percent of GNI regarding quality of debt data reported.

CAS Code # 24P3

Exports Growth, Goods and Services

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports:

www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators, most recent publication, series NE.EXP.GNFS.KD.ZG, based on World Bank national accounts data, and OECD National Accounts data files.

Definitions: Annual growth rate of exports of goods and services based on constant local currency units. Exports include the value of merchandise, freight, insurance, transport, travel, royalties, license fees, and other services, such as communication, construction, financial, information, business, personal, and government services. They exclude labor and property income (formerly called factor services), as well as transfer payments.

Coverage: Data are available for about 81 USAID countries.

CAS Code # 24P4

Foreign Direct Investment, Percentage of GDP

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports: www.imf.org/external/ np/sec/aiv/index.htm. Benchmarking data from World Development Indicators, most recent publication, series BX.KLT.DINV.DT.GD.ZS, based on IMF, International Financial Statistics and Balance of Payments databases, World Bank, Global Development Finance, and World Bank and OECD GDP estimates.

Definition: Foreign direct investment is the net inflow of investment to acquire a lasting management interest (10 percent or more of voting stock) in an enterprise operating in an economy other than that of the investor. It is the sum of equity capital, reinvestment of earnings, other long-term capital, and short-term capital as shown in the balance of payments. This series shows net inflows in the reporting economy.

Coverage: Data are available for about 82 USAID countries.

CAS Code #24P5

Gross International Reserves, Months of Imports

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports:

www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators, most recent publication, series FI.RES.TOTL.MO.

Definition: Gross international reserves comprise holdings of monetary gold, special drawing rights (SDRs), the reserve position of members in the IMF, and holdings of foreign exchange under the control of monetary authorities expressed in terms of the number of months of imports of goods and services.

Coverage: Data are available for about 77 USAID countries.

CAS Code # 24P6

Gross Private Capital Inflows, Percentage of GDP

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports: www.imf.org/external/ np/sec/aiv/index.htm Benchmarking data derived from the International Financial Statistics (sum of lines 78BED and 78BGD, divided by GDP).

Definition: Gross private capital inflows are the sum of the direct and portfolio investment inflows recorded in the balance-of-payments financial account. The indicator is calculated as a ratio to GDP in U.S. dollars.

Coverage: Information on coverage is not easily accessible.

Data Quality: Capital flows are converted to U.S. dollars at the IMF's average official exchange rate for the year shown.

CAS Code #24P7

Present Value of Debt, Percentage of GNI

Source: World Development Indicators, most recent publication series DT.DOD.PVLX.GN.ZS, based on Global Development Finance data.

Definition: Present value of debt is the sum of short-term external debt plus the discounted sum of total debt service payments due on public, publicly guaranteed, and private non-guaranteed long-term external debt over the life of existing loans. The indicator measures the value of debt relative to the GNI.

Coverage: Data are available for about 80 USAID countries.

Data Quality: The coverage and quality of debt data vary widely across countries because of the wide spectrum of debt instruments, the unwillingness of governments to provide information, and a lack of capacity in reporting. Discrepancies are significant when exchange rate fluctuations, debt cancellations, and rescheduling occur.

CAS Code # 24P8

Remittances Receipts, Percentage of Exports

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports: www.imf.org/external/ np/sec/aiv/index.htm. Benchmarking data are obtained from World Development Indicators, most recent publication. The figure is constructed by dividing workers' remittances (receipts), series BX.TRF.PWKR.CD, by exports of goods and services, series BX.GSR.GNFS.CD.

Definition: Workers' remittances are current transfers by migrants who are employed or intend to remain employed for more than a year in another economy in which they are considered residents. The indicator is the ratio of remittances to exports.

Coverage: Data are available for about 74 USAID countries.

CAS Code # 24P9

Trade, Percentage of GDP

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports: www.imf.org/external/ np/sec/aiv/index.htm. Benchmarking data from World Development Indicators, most recent publication, series NE.TRD.GNFS.ZS.

Definition: The sum of exports and imports of goods and services divided by the value of GDP, all expressed in current U.S. dollars.

Coverage: Data available for about 84 USAID countries.

CAS Code # 24P10

Trade in Services, Percentage of GDP

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports: www.imf.org/external/ np/sec/aiv/index.htm. Benchmarking data from the World Development Indicators, most recent publication, series BG.GSR.NFSV.GD.ZS.

Definition: Trade in services is the sum of service exports and imports divided by the value of GDP, all in current U.S. dollars.

Coverage: Data available for about 80 USAID countries.

CAS Code # 24P11

Concentration of Exports

Source: Constructed with ITC COMTRADE data by aggregating the value for the top three export product groups (SITC Rev.3) and dividing by total exports. Raw data: http://www.intracen.org/tradstat/sitc3-3d/indexre.htm

Definition: The percentage of a country's total merchandise exports consisting of the top three products, disaggregated at the SITC (Rev. 3) 3-digit level.

Coverage: Available for about 74 USAID countries.

Data Quality: Smuggling is a serious problem in some countries. For countries that do not report trade data to the United Nations, ITC uses partner country data. There are a number of shortcomings with this approach: ITC does not cover trade with other nonreporting countries; transshipments may hide the actual source of supply; and reporting standards include transport cost and insurance in measuring exports but exclude these items when measuring imports.

CAS Code # 24S1

Inward FDI Potential Index

Source: UNCTAD. Indicator is available at http://www.unctad.org/Templates/WebFlyer.asp?intItemID=2472&lang=1.

Definition: Inward FDI Potential Index measures an economy's attractiveness to foreign investors, capturing factors (apart from market size) that are expected to have an impact. The index ranges in value from 0 (for very poor performance) to 1 (for excellent performance). It is an unweighted average of the scores of 12 normalized economic and social variables.

Coverage: Data are available for about 77 USAID countries.

CAS Code # 24S2

Net Barter Terms of Trade

Source: World Development Indicators, most recent publication, series TT.PRI.MRCH.XD.WD

Definition: Net barter terms of trade are calculated as the ratio of the export price index to the corresponding import price index measured relative to the base year 2000.

Coverage: Data are available for about 51 USAID countries.

CAS Code # 24S3

Real Effective Exchange Rate (REER)

Source: IMF Article IV consultation reports: www.imf.org/external/ np/sec/aiv/index.htm;

Definition: The REER is an index number with base 2000=100, which measures the value of a currency against a weighted average of foreign currencies. It is calculated as the nominal effective exchange rate divided by a price deflator or index of costs. The IMF defines the REER so that an increase in the value represents a real appreciation of the home currency, and a decrease represents a real depreciation.

Coverage: Information on coverage is not easily accessible.

Data Quality: Changes in real effective exchange rates should be interpreted with caution. For many countries the weights from 1990 onward take into account trade in 1988-90, and an index of relative changes in consumer prices is used as the deflator.

CAS Code # 24S4

Structure of Merchandise Exports

Source: World Development Indicators, most recent publication. Exports from five categories are used: Food exports series TX.VAL.FOOD.ZS.UN; Agricultural raw materials exports series TX.VAL.AGRI.ZS.UN; Manufactures exports series TX.VAL.MANF.ZS.UN; Ores and metals exports series TX.VAL.MMTL.ZS.UN; and Fuel exports series TX.VAL.FUEL.ZS.UN.

Definition: This indicator reflects the composition of merchandise exports by major commodity groups—food, agricultural raw materials, fuels, ores and metals, and manufactures.

Coverage: Data are available for about 78 USAID countries.

Data Quality: The classification of commodity groups follows the Standard International Trade Classification (SITC) revision 1, but most countries report using later revisions of the SITC. Tables are used to convert data reported in one system to another and this may introduce errors of classification. Shares may not sum to 100 percent because of unclassified trade.

CAS Code # 24S5

Trade Policy Index

Source: Index of Economic Freedom, Heritage Foundation: http://www.heritage.org/research/features/index/downloads.cfm. The Trade Policy Score (index) is one component of the Index of Economic Freedom.

Definition: The index measures the degree to which government hinders the free flow of foreign commerce, based on a country's weighted average tariff rate (weighted by imports from the country's trading partners), with adjustments for non-tariff barriers and corruption in the customs service. The countries are ranked on a 0-to-100 scale, with a higher score representing greater freedom (low barriers to trade)—a switch from the 5-1 ranking of previous Indexes (in which lower numbers denoted greater freedom).

Coverage: Data are available for about 83 USAID countries.

Data Quality: The index is subjective and at times inconsistent in its treatment of tariffs.

CAS Code # 24S6

Ease of Trading Across Borders Ranking

Source: World Bank, Doing Business, Trading Across Borders category: http://www.doingbusiness.org/ExploreTopics/TradingAcrossBorders/

Definitions: The 178 economies covered by the Doing Business report are ranked on the ease with which one may import into and export out of the economy. The ranking is based on a simple average of the economy's ranking on each of the composite indicators for Trading Across Borders: number of documents to import and export, cost to import and export, and time to import and export.

Coverage: Data are available for nearly all USAID countries.

CAS Code # 24S7

ECONOMIC INFRASTRUCTURE

Internet Users per 1,000 people

Source: World Development Indicators, most recent publication series IT.NET.USER.P3, derived from the International Telecommunication Union database.

Definition: Indicator quantifies the number of Internet users, defined as those with access to the worldwide network, per 1,000 people.

Coverage: Data are available for about 88 USAID countries.

CAS Code # 25P1

Overall Infrastructure Quality Index

Source: Global Competitiveness Report 2006–2007, World Economic Forum. The indicator can be found in the Data Tables, Section V. General Infrastructure; 5.01.

Definition: The index measures executives' perceptions of general infrastructure in their respective country. Executives grade, on a scale from 1 to 7, whether general infrastructure in their country is poorly developed (1) or among the best in the world (7).

Coverage: Data are available for about 52 USAID countries.

Data Quality: Comparisons between countries are difficult because the data are based on executives' perceptions.

CAS Code # 25P2

Telephone Density, Fixed Line and Mobile

Source: World Development Indicators, most recent publication series IT.TEL.TOTL.P3, derived from the International Telecommunication Union database..

Definition: The indicator is the sum of subscribers to telephone mainlines and mobile phones per 1,000 people. Fixed lines represent telephone mainlines connected to the public switched telephone network. Mobile phone subscribers refer to users of cellular-based technology with access to the public switched telephone network.

Coverage: Data are available for about 88 USAID countries.

CAS Code #25P3

Quality of infrastructure—Railroads, Ports, Air Transport and Electricity

Source: Global Competitiveness Report 2006-2007, World Economic Forum. The indicators can be found in the Data Tables, Section V. General Infrastructure; 5.02, 5.03, 5.04, and 5.05 for Railroad, Port; Air Transport, and Electricity, respectively.

Definitions: The index measures executives' perceptions of general infrastructure in their respective country. Executives grade, on a scale from 1 to 7, whether railroads, ports, air transport, and electricity are poorly developed (1) or among the best in the world (7).

Coverage: Data are available for about 52 USAID countries.

Data Quality: Comparisons between countries are difficult because the data are based on executive perceptions.

CAS Code #25S1

Roads, paved (% total)

Source: World Development Indicators, most recent publication series IS.ROD.PAVE.ZS

Definitions: Paved roads are roads surfaced with crushed stone (macadam) and hydrocarbon binder or bituminized agents, with concrete, or with cobblestones.

Coverage: Data are available for nearly all USAID countries.

CAS Code #25S2

SCIENCE AND TECHNOLOGY

Expenditure in Research and Development, Percentage of GDP

Source: World Development Indicators, most recent publication, series GB.XPD.RSDV.GD.ZS, based on data from the UNESCO Institute of Statistics.

Definition: Expenditures for research and development are current and capital expenditures (both public and private) on creative, systematic activity that increases the stock of knowledge. Included are fundamental and applied research and experimental development work leading to new devices, products, or processes.

Coverage: Data are available for about 26 USAID countries.

CAS Code #26P1

FDI Technology Transfer Index

Source: Global Competitiveness Report 2006-2007, World Economic Forum. The indicator can be found in the Data Tables, Section III. Technology: Innovation and Diffusion; 3.04.

Definition: The index measures executives' perceptions of FDI as a source of new technology for the country. Executives grade, on a scale from 1 to 7, whether foreign direct investment in their country brings little new technology (1), or is an important source of new technology (7).

Coverage: Data are available for about 52 USAID countries.

Data Quality: Comparisons between countries are difficult because the data are based on executive perceptions.

CAS Code # 26P2

Availability of Scientists and Engineers Index

Source: Global Competitiveness Report 2006-2007, World Economic Forum. The indicators can be found in the Data Tables, Section IX. Innovation; 9.05.

Definitions: The index measures executives' perceptions of the availability of scientists and engineers in their respective country. Executives grade, on a scale from 1 to 7, whether scientists and engineers in their country are nonexistent (1) or rare, or widely available (7).

Coverage: Data are available for about 52 USAID countries.

Data Quality: Comparisons between countries are difficult because the data are based on executive perceptions.

CAS Code #26P3

Science and Technology Journal Articles, per Million People

Source: World Development Indicators, most recent publication, series IP.JRN.ARTC.SC

Definitions: The indicator refers to published scientific and engineering articles in physics, biology, chemistry, mathematics, clinical medicine, biomedical research, engineering and technology, and earth and space sciences per one million population.

Coverage: Data are available for about 82 USAID countries.
CAS Code #26P4

IPR Protection Index

Source: Global Competitiveness Report 2006-2007, World Economic Forum. The indicators can be found in the Data Tables, Section IV. Innovation; 9.07.

Definitions: The index measures executives' perceptions of the availability of the quality of intellectual property rights protection in their respective country. The scale ranges from 1(for poorly enforced) to 7 (among the best in the world).

Coverage: Data are available for about 52 USAID countries.

Data Quality: Comparisons between countries are difficult because the data are based on executive perceptions.

CAS Code #26P5

HEALTH

HIV Prevalence

Source: UNAIDS for most recent country data: http://data.unaids.org/pub/GlobalReport/2006/2006_GR_AN N2_en.pdf. World Development Indicators, most recent publication for benchmark data, series SH.DYN.AIDS.ZS.

Definition: Percentage of people ages 15–49 who are infected with HIV.

Coverage: Data are available for about 79 USAID countries.

Data Quality: UNAIDS/WHO estimates are based on all available data, including surveys of pregnant women, population-based surveys, household surveys conducted by Kenya, Mali, Zambia, and Zimbabwe, and other surveillance information.

CAS Code # 31P1

Life Expectancy at Birth

Source: World Development Indicators, most recent publication, (SP.DYN.LE00.IN)

Definition: Life expectancy at birth indicates the number of years a newborn infant would live on average if prevailing patterns of mortality at the time of his or her birth were to stay the same throughout his or her life.

Coverage: Data are available for about 88 USAID countries.

Data Quality: Life expectancy at birth is estimated on the basis of vital registration or the most recent census/survey. Extrapolations may not be reliable for monitoring changes in health status or for comparative analytical work.

CAS Code # 31P2

Maternal Mortality Rate

Source: UN Millennium Indicators Database, http://millenniumindicators.un.org/unsd/mdg/Data.aspx based on WHO, UNICEF and UNFPA data.

Definition: The indicator is the number of women who die during pregnancy and childbirth, per 100,000 live births.

Coverage: Data are available for about 87 USAID countries.

Data Quality: Household surveys attempt to measure maternal mortality by asking respondents about survival of sisters. The estimates pertain to 12 years or so before the survey, making them unsuitable for monitoring recent changes.

CAS Code # 31P3

Access to Improved Sanitation

Source: World Development Indicators, most recent publication, series SH.STA.ACSN.

Definition: The indicator is the percentage of population with at least adequate excreta disposal facilities (private or shared, but not public) that can effectively prevent human, animal, and insect contact with excreta.

Coverage: Data are available for about 82 USAID countries.

CAS Code #31S1

Access to Improved Water Source

Source: World Development Indicators, most recent publication series SH.H2O.SAFE.ZS

Definition: The indicator is the percentage of the population with reasonable access to an adequate amount of water from an improved source, such as a household connection, public standpipe, borehole, protected well or spring, or rain water collection.

Coverage: Data are available for about 83 USAID countries.

Data Quality: Access to drinking water from an improved source does not ensure that the water is adequate or safe.

CAS Code # 31S2

Births Attended by Skilled Health Personnel

Source: World Development Indicators, most recent publication, series SH.STA.BRTC.ZS.

Definition: The indicator is the percentage of deliveries attended by personnel trained to give the necessary supervision, care, and advice to women during pregnancy, labor, and the postpartum period, to conduct interviews on their own, and to care for newborns.

Coverage: Data are available for about 62 USAID countries.

Data Quality: Data may not reflect improvements in maternal health; maternal deaths are underreported; and rates of maternal mortality are difficult to measure.

CAS Code # 31S3

Child Immunization Rate

Source: World Development Indicators, most recent publication, estimated by averaging two series: Immunization, DPT (% of children ages 12–23 months) (SH.IMM.IDPT) and Immunization, measles (% of children ages 12–23 months) (SH.IMM.MEAS).

Definition: Percentage of children under one year of age receiving vaccination coverage for four diseases: measles and diphtheria, pertussis (whopping cough), and tetanus (DDPT).

Coverage: Data are available for about 88 USAID countries.

CAS Code #31S4

Prevalence of Child Malnutrition—Weight for Age

Source: World Development Indicators, most recent publication, series SH.STA.MALN.ZS.

Definition: The indicator is based on the percentage of children under age five whose weight for age is more than minus two standard deviations below the median for the international reference population ages 0–59 months.

Coverage: Data are available for about 55 USAID countries.

CAS Code # 31S5

Public Health Expenditure, Percentage of GDP

Source: Latest data for host country is obtained from the MCC: http://www.mcc.gov/selection/scorecards/2007/index.php.

International benchmarking data from World Development Indicators, most recent publication (SH.XPD.PUBL.ZS), based on World Health Organization, World Health Report, and updates and from the OECD, supplemented by World Bank poverty assessments and country and sector studies.

Definition: Public health expenditure consists of recurrent and capital spending from government (central and local) budgets, external borrowings and grants (including donations from international agencies and nongovernmental organizations), and social (or compulsory) health insurance funds.

Coverage: Data are available for about 88 USAID countries.

CAS Code #31S6

EDUCATION

Net Primary Enrollment Rate—Female, Male and Total

Source: UNESCO Institute for Statistics, http://stats.uis.unesco.org/ReportFolders/reportfolders.aspx

Definition: The indicator measures the proportion of the population of the official age for primary, secondary, or tertiary education according to national regulations who are enrolled in primary schools. Primary education provides children with basic reading, writing, and mathematics skills along with an elementary understanding of such subjects as history, geography, natural science, social science, art, and music.

Coverage: Data are available for about 80 USAID countries.

Data Quality: Enrollment rates are based on data collected during annual school surveys, which are typically conducted at the beginning of the school year, and do not reflect actual rates of attendance during the school year. In addition, school administrators may report exaggerated enrollments because teachers often are paid proportionally to the number of pupils enrolled. The indicator does not measure the quality of the education provided.

CAS Code # 32P1

Persistence to Grade 5—Female, Male, and Total

Source: World Development Indicators, most recent publication series SE.PRM.PRS5.FE.ZS (female); SE.PRM.PRS5.MA.ZS (male); and SE.PRM.PRS5.ZS (total).

Definition: The indicator is an estimate of the proportion of the population entering primary school who reach grade 5, for female, male, and total students.

Coverage: Data are available for about 48 USAID countries.

CAS Code # 32P2

Youth Literacy Rate—Female, Male, and Total

Source: World Development Indicators, most recent publication, series SE.ADT.1524.LT.ZS.

Definition: The indicator is an estimate of the percent of people ages 15–24 who can, with understanding, read and write a short, simple statement on their everyday life.

Coverage: Data are available for about 67 USAID countries.

Data Quality: Statistics are out of date by two to three years.

CAS Code #32P3

Net Secondary Enrollment Rate, Total

Source: World Development Indicators, most recent publication, series SE.SEC.NENR. Based on data from the United Nations Educational, Scientific, and Cultural Organization (UNESCO) Institute for Statistics.

Definitions: Net enrollment ratio is the ratio of children of official school age based on the International Standard Classification of Education 1997 who are enrolled in school to the population of the corresponding official school age. Secondary education completes the provision of basic education that began at the primary level and aims at laying the foundations for lifelong learning and human development by offering more subject- or skill-oriented instruction using more specialized teachers.

Coverage: Not available for draft.

Data Quality: Break in series between 1997 and 1998 due to change from International Standard Classification of Education (ISCED) 76 to ISCED97. Recent data are provisional.

CAS Code #32P4

Gross Tertiary Enrollment Rate, Total

Source: World Development Indicators, most recent publication, series SE.TER.ENRR. Based on data from the UNESCO Institute for Statistics.

Definitions: Gross enrollment ratio is the ratio of total enrollment, regardless of age, to the population of the age

group that officially corresponds to the level of education shown. Tertiary education, whether or not to an advanced research qualification, normally requires, as a minimum condition of admission, the successful completion of education at the secondary level.

Coverage: Not available for draft.

Data Quality: Break in series between 1997 and 1998 due to change from International Standard Classification of Education (ISCED) 76 to ISCED97. Recent data are provisional.

CAS Code #32P5

Expenditure on Primary Education, Percentage of GDP

Source: Millennium Challenge Corporation: http://www.mcc.gov/ selection/scorecards/2007/index.php.

Definition: The indicator is the total expenditures on education by all levels of government, as a percent of GDP.

Coverage: Data are available for about 58 USAID countries.

Data Quality: The MCC obtains the data from national sources through U.S. embassies.

CAS Code #32S1

Educational Expenditure per Student, Percentage of GDP per capita—Primary, Secondary and Tertiary

Source: World Development Indicators, most recent publication series SE.XPD.PRIM.PC.ZS (primary); SE.XPD.SECO.PC.ZS (secondary); and SE.XPD.TERT.PC.ZS (tertiary).

Definition: Public expenditure per student (primary, secondary or tertiary) is defined as the public current expenditure on education divided by the total number of students, by level, as a percentage of GDP per capita.

Coverage: Data are available for about 50, 47, and 45 USAID countries (for primary, secondary, and tertiary expenditure, respectively).

Data Quality: Education statistics should be interpreted with caution because the data are out of date by 2 or 3 years; also, the statistics reflects solely public spending, generally excluding spending by religious schools, which play a significant role in many developing countries. Data for some countries and for some years refer to spending by the ministry of education only.

CAS Code # 32S2

Pupil-teacher Ratio, Primary School

Source: World Development Indicators, most recent publication series SE.PRM.ENRL.TC.ZS.

Definition: Primary school pupil-teacher ratio is the number of pupils enrolled in primary school divided by the number of primary school teachers (regardless of their teaching assignment).

Coverage: Data are available for about 76 USAID countries.

Data Quality: The indicator does not take into account differences in teachers' academic qualifications, pedagogical training, professional experience and status, teaching methods, teaching materials and variations in classroom conditions – all factors that could also affect the quality of teaching/learning and pupil performance.

CAS Code # 32S3

EMPLOYMENT AND WORKFORCE

Labor Force Participation Rate

Source: Derived from World Development Indicators, but the precise computation differs depending on whether a particular country study uses the 2004 or 2005 and years subsequent WDI.
To calculate the *total* labor force participation rate using WDI 2004: the numerator is Labor force, total (SL.TLF.TOTL.IN), and the denominator is Population ages 15-64, total (SP.POP.1564.TO). Using WDI 2005 and subsequent years, the denominator is calculated as the total population (SP.POP.TOTL) times the percentage of the population in the age group 15-64 (SP.POP.1564.IN.ZS).
Definition: The percentage of the working age population that is in the labor force. The labor force comprises people who meet the International Labor Organization definition of the economically active population: all people who supply labor for the production of goods and services during a specified period. It includes both the employed and the unemployed.

Coverage: Data are available for about 88 USAID countries.

CAS Code #33P1

Rigidity of Employment Index

Source: World Bank, Doing Business in 2007, Employing workers category: http://www.doingbusiness.org/ExploreTopics/EmployingWorkers/

Definition: Rigidity of employment index is a measure of labor market rigidity constructed as the average of the Difficulty of Hiring index, Rigidity of Hours index and Difficulty of Firing index. Index ranges in value from 0 (minimum rigidity) to 100 (maximum rigidity).

Coverage: Data are available for nearly all USAID countries.

Data Quality: Subindices are compiled by the World Bank from survey responses to in-country specialists.

CAS Code # 33P2

Size and Growth of the Labor Force

Source: Size of labor force from World Development Indicators (SL.TLF.TOTL.IN); annual percentage change calculated from size data.

Definition: The indicator measures the size of the labor supply, and its annual percent change. Labor force is made up of people who meet the International Labor Organization definition of the economically active population: all people who are able to supply labor for the production of goods and services during a specified period, including both the employed and the unemployed. Although national practices vary in the treatment of groups such as the armed forces and seasonal or part-time workers, in general, the labor force includes the armed forces, the unemployed, and first-time job-seekers, but excludes homemakers and other unpaid caregivers and workers in the informal sector.

Coverage: Data are available for about 88 USAID countries.

CAS Code #33P3

Unemployment Rate

Source: World Development Indicators, most recent publication series SL.UEM.TOTL.ZS.

Definition: The unemployment rate refers to the share of the labor force that is without work but available for and seeking employment. For this purpose, informal sector workers and

own-account workers (including subsistence farmers) are counted as employed.

Coverage: Data are available for about 50 USAID countries.

Data Quality: Definitions of labor force and unemployment differ by country, making international comparisons inaccurate.

CAS Code # 33P4

Economically Active Children, Percentage Children Ages 7-14

Source: World Development Indicators, most recent publication series SL.TLF.0714.ZS. Derived from the Understanding Children's Work project based on data from ILO, UNICEF, and the World Bank.

Definitions: Economically active children refer to children involved in economic activity for at least one hour in the reference week of the survey.

CAS Code # 33P5

Firing Costs, Weeks of Wages

Source: World Bank, Doing Business, Employing Workers Category: http://www.doingbusiness.org/ MethodologySurveys/EmployingWorkers.aspx.

Definitions: The firing cost indicator measures the cost of advance notice requirements, severance payments, and penalties due when terminating a redundant worker, expressed in weekly wages. One month is recorded as 4 and 1/3 weeks.

Coverage: Data available for nearly all USAID countries.

CAS Code # 33S1

AGRICULTURE

Agriculture Value Added per Worker

Source: World Development Indicators, most recent publication series EA.PRD.AGRI.KD, derived from World Bank national accounts files and Food and Agriculture Organization, Production Yearbook and data files.

Definition: Agriculture value added per worker is a basic measure of labor productivity in agriculture. Value added in agriculture measures the output of the agricultural sector (ISIC divisions 1–5)—forestry, hunting, fishing, cultivation of crops, and livestock production—less the value of intermediate inputs. Data are in constant 2000 U.S. dollars.

Coverage: Data are available for about 80 USAID countries.

CAS Code # 34P1

Cereal Yield

Source: World Development Indicators, most recent publication series AG.YLD.CREL.KG based on Food and Agriculture Organization Production Yearbook and data files.

Definition: Cereal yield, measured as kilograms per hectare of harvested land, includes wheat, rice, maize, barley, oats, rye, millet, sorghum, buckwheat, and mixed grains. Production data on cereals relate to crops harvested for dry grain only.

Coverage: Data are available for about 84 USAID countries.

Data Quality: Data on cereal yield may be affected by a variety of reporting and timing differences. The FAO allocates production data to the calendar year in which the bulk of the harvest took place. But most of a crop harvested near the end of a year will be used in the following year. Cereal crops harvested for hay or harvested green for food, feed, or silage, and those used for grazing, are generally excluded. But millet and sorghum, which are grown as feed for livestock and poultry in Europe and North America, are used as food in Africa, Asia, and countries of the former Soviet Union. So some cereal crops are excluded from the data for some countries and included elsewhere, depending on their use.

CAS Code # 34P2

Growth in Agricultural Value-Added

Source: The latest country data are taken from national data sources or from IMF Article IV consultation reports: www.imf.org/ external/np/sec/aiv/index.htm. The benchmarking data are from World Development Indicators, most recent publication series NV.AGR.TOTL.KD.ZG

Definition: The indicator measures the annual growth rate for agricultural value added, in constant local currency. Regional group aggregates are based on constant 2000 U.S. dollars. Agriculture corresponds to ISIC divisions 1–5 and includes forestry, hunting, and fishing, as well as cultivation of crops and livestock production. Value added is the net output of a sector after all outputs are added up and intermediate inputs are subtracted. It is calculated without deductions for depreciation of fabricated assets or depletion and degradation of natural resources.

Coverage: Data are available for about 84 USAID countries.

CAS Code # 34P3

Agricultural Policy Costs Index

Source: Global Competitiveness Report 2006-2007, World Economic Forum. The indicator can be found in the Data Tables, Section II. Macroeconomic Environment; 2.20.

Definition: The index measures executives' perceptions of agricultural policy costs in their respective country. Executives grade, on a scale from 1 to 7, whether the cost of agricultural policy in a given country is excessively burdensome (1), or balances all economic agents' interests (7).

Coverage: Data are available for about 52 USAID countries.

Data Quality: Comparisons between countries are difficult because the data are based on executives' perceptions.

CAS Code # 34S1

Crop Production Index

Source: World Development Indicators, most recent publication series AG.PRD.CROP.XD, based on FAO statistics.

Definition: Crop production index shows agricultural production for each year relative to the period 1999–2001 = 100. The index includes production of all crops except fodder crops. Regional and income group aggregates for the FAO's production indices are calculated from the underlying values in international dollars, normalized to the base period.

Coverage: Data are available for about 85 USAID countries.

Data Quality: Regional and income group aggregates for the FAO's production indices are calculated from the underlying values in international dollars, normalized to the base period 1999–2001. The FAO obtains data from official and semiofficial reports of crop yields, area under production, and livestock numbers. If data are not available, the FAO makes estimates. To ease cross-country comparisons, the FAO uses international commodity prices to value production expressed in international dollars (equivalent in purchasing power to the U.S. dollar). This method assigns a single price to each commodity so that, for example, one metric ton of wheat has the same price regardless of where it was

produced. The use of international prices eliminates fluctuations in the value of output due to transitory movements of nominal exchange rates unrelated to the purchasing power of the domestic currency.

Coverage: Data are available for about 85 USAID countries.

CAS Code # 34S2

Livestock Production Index

Source: World Development Indicators, most recent publication series AG.PRD.LVSK.XD, based on FAO.

Definition: Livestock production index shows livestock production for each year relative to the base period 1999–2001=100. The index includes meat and milk from all sources, dairy products such as cheese, and eggs, honey, raw silk, wool, and hides and skins.

Coverage: Data are available for about 85 USAID countries.

Data Quality: See comments on the Crop Production Index.

CAS Code # 34S3

Agriculture Export Growth

Source: World Development Indicators, most recent publication series TX.VAL.AGRI.ZS.UNs, Agricultural raw materials exports (% of merchandise exports), based on World Bank staff estimates from the COMTRADE database maintained by the United Nations Statistics Division; and series TX.VAL.MRCH.CD.WT, Merchandise exports (current US$), based on data from the World Trade Organization.

Definitions: Agricultural raw materials comprise SITC section 2 (crude materials except fuels), excluding divisions 22, 27 (crude fertilizers and minerals excluding coal, petroleum, and precious stones), and 28 (metalliferous ores and scrap). Merchandise exports show the f.o.b. value of goods provided to the rest of the world valued in U.S. dollars. Data are in current U.S. dollars. The indicator is calculated by multiplying agricultural raw materials by merchandise exports. The annual growth rate is then calculated from the resulting series.

Coverage: Not available for draft.

CAS Code # 34S4