

**USAID Development
Information Services**

Publicly Available Resources for Use in the MCA Selection Process
(Response to an Information Request)

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USAID Development Information Services
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This document reviews seven readily available publications/websites which may be used as reference material during the MCA country selection process. Previous reports have stressed that even when a country is designated an “MCA country” funding will not be automatically forthcoming. As a final step in the process it has been suggested that proposals be evaluated by sectoral and country experts and that the MCA Board grant final approval.¹ Though not an exhaustive list, the following resources contain information which may be particularly useful during these final stages of the country selection process. A short summary of each resource is provided along with its strengths and weaknesses.

(1) Economist Intelligence Unit, Country Reports

Summary: EIU Country Reports are issued quarterly for approximately 200 countries and are available both in hard copy and online. An online monthly update is available for 117 countries.² Country Reports describe recent events, analyze trends, review changes in the political structure and economic policies of a country, and provide economic forecasts. Additionally, a two-year outlook for domestic politics, international relations, economic policy, etc. is reported. Though much of this publication focuses on economic issues (both domestic and international), political issues are also explored.

Strengths: Political and economic issues. Comprehensive, rigorous and timely coverage.

Weaknesses: Routine coverage of social, human rights, environmental, and other issues not directly related to politics or economics is limited. The amount of detail provided varies somewhat between countries, however this is likely a consequence of country size and the pace of change in a particular country/region. This publication may be more effectively used in conjunction with the EIU Country Profiles.

(2) Economist Intelligence Unit, Country Profiles

Summary: EIU Country Profiles are published annually for approximately 200 countries and provide a detailed description of the history, politics, infrastructure, and economy of each country. Specifically, topics covered include: recent political developments; information on institutions, international relations and defense; status of infrastructure (especially energy and transportation); health and the environment. Country Profiles also cover demographics, economic structure, policy, performance, regional trends, performance of various sectors of the economy, and external economic issues (e.g. trade, capital flows, debt, etc.).

¹ See “Implementing the Millennium Challenge Account,” Background Paper, February 5, 2003. Available online (<http://www.state.gov/e/eb/rls/othr/19434pf.htm>).

² See website: <http://www.eiu.com/>.

Strengths: Description of virtually all aspects of a country, with an emphasis on politics, economics, infrastructure and resources. The format is standardized, allowing for international comparisons. Statistical tables are provided. High degree of rigor and detail.

Weaknesses: Since Country Profiles are published annually they may not be entirely current at any given time and may be more effectively be used in conjunction with EIU Country Reports.

(3) **IMF, Article IV Consultations, Staff Reports**³

Summary: IMF Article IV Staff Reports are published annually (there are many exceptions, however) and are based on consultations between IMF staff and senior government officials regarding economic issues and policies of relevance to the country. Typically, Staff Reports follow a standard format and include sections on recent economic prospects and developments for the upcoming year, an outlook and vulnerability assessment, policy discussions focusing on specific areas of importance (e.g. fiscal, monetary, exchange rate, structural, financial, macroeconomic, etc.), and a staff appraisal. Appendices provide details on projects and technical assistance provided by the IMF, World Bank, and other international organizations. Statistical tables and figures are provided throughout. Staff Reports have been published for 186 countries and were first published in 1998.

Strengths: Staff Reports focus almost exclusively on economic issues, providing a detailed assessment of economic policies and economic health, and offering policy prescriptions. Very comprehensive and timely.

Weaknesses: Does not routinely address political or social issues.

(4) **Poverty Reduction Strategy Papers**⁴

Summary: Poverty Reduction Strategy Papers (PRSP) are prepared by governments in consultation with the World Bank, IMF, civil society, and other relevant parties. The purpose of PRSPs is to outline the policies, programs and strategies a country will follow to support economic growth and lessen poverty. PRSPs are an important development tool and are used by the World Bank and IMF to determine the need for assistance. PRSPs are also used in the debt reduction process under the HIPC initiative.

Strengths: Generally PRSPs provide great detail regarding prospective and current economic policy and the economic health of a country.

Weaknesses: Not all potential MCA countries have completed PRSPs or interim PRSPs. The format of PRSPs is not entirely standardized (though a “good practices” brochure has

³ Available online: (<http://www.imf.org/external/np/sec/aiv/index.htm>).

⁴ Available online: (<http://www.worldbank.org/poverty/strategies/>).

been issued to serve as a guideline), making comparison between countries somewhat difficult. PRSPs tend to provide an exhaustive amount of information and are not always suitable for quick reference. Countries are required to submit PRSPs every three years, therefore not all information is timely. PRSPs may best be consulted in conjunction with Annual Progress Reports (available online).

(5) **U.S. Department of Commerce, U.S. Commercial Service, Country Commercial Guide**⁵

Summary: The Commercial Country Guide is published annually for 152 countries and regions and is prepared by U.S. embassies in the country/region in question. These publications provide a comprehensive review of the commercial environment of a country, including political, economic, and market analyses. Specifically, topics which may be covered include: economic trends and outlook, political environment, marketing U.S. products and services, leading sectors for U.S. exports and investments, trade regulations, customs and standards, investment climate statement, trade and project financing, business travel, economic and trade statistics, U.S. and country contacts, market research, and trade events.

Strengths: Focuses primarily on issues related to commerce in the country in question. In general, business climate is the theme of this publication. Section on “economic trends and outlook” is perhaps most valuable.

Weaknesses: Topics not directly related to commerce are not routinely addressed. The amount of information reported varies by country and is likely a function of the U.S. presence, commercial importance, and/or commercial potential of a country/region. Because it is published annually some of the information reported may not be entirely current at any given point in time (e.g. currently, only 2002 FY edition is available online). Economic data is not extensive.

(6) **World Bank Website**⁶

Summary: The World Bank website provides country overviews with links to more specific information such as development progress, future challenges, various types of World Bank assistance, project achievements in health, education, infrastructure, and the environment, and links to data and government ministries. In some cases there are also links to upcoming/proposed World Bank projects, ongoing projects, and previous projects, as well as a news archive. In some case, links to country offices of various international organizations are also provided.

⁵ Available online (www1.usatrade.gov/website/ccg.nsf) .

⁶ <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/0,,pagePK:180619~theSitePK:136917,00.html> or double click the “countries and regions” link from the World Bank main website: <http://www.worldbank.com/> .

Strengths: Primarily focuses on economics and economic policy issues. Provides links to World Bank papers and data, as well as news concerning specific countries. The latter may prove useful and may serve as an effective way to keep abreast of the most recent events. For many countries the amount of information is extensive.

Weaknesses: In general, does not appear to provide extensive information on non-economic topics (though there are many links to various sorts of information). Much of the website is devoted specifically to World Bank projects and achievements and may not be of interest for the MCA. Country information is inconsistent, as is the format. While information for some countries is vast, for other it is sparse.

(7) **CIA World Factbook**⁷

Summary: The CIA World Factbook is an annual publication (the online version is updated throughout the year) which “provides national-level information on countries, territories, and dependencies, as well as a very brief overview of the economy”. Topics covered include: geography, people, government, economy, communications, transportation, military and transnational issues.

Strengths: Covers most relevant topics. Useful as a quick reference.

Weaknesses: Provides little detail.

⁷ Available online (<http://www.cia.gov/cia/publications/factbook/index.html>).