

TRADE CAPACITY BUILDING FISCAL YEAR 2019 OVERVIEW

Trade capacity building (TCB) plays a critical part in the United States' strategy to enable developing countries to implement the market-opening reforms necessary for trade agreement compliance and foster economic growth from increased trade and investment. The United States is the largest single-country provider of trade-related assistance (also called TCB). TCB obligations totaled **\$702.7M in Fiscal Year (FY) 2019**, with investments in 931 activities across 124 countries, geographic regions, or trade groups.

KEY FIGURES

TOP THREE LARGEST FUNDERS OF TCB-RELATED ACTIVITIES

\$264 MILLION

U.S. Agency for International Development (USAID)

\$177 MILLION

Department of Agriculture (USDA)

\$63 MILLION

Department of State (DOS)

LARGEST CHANGES IN TCB OBLIGATIONS IN FY2019

▲ \$28 MILLION

Overseas Private Investment Corporation (OPIC)

▲ \$27 MILLION

Department of Treasury (USDT)

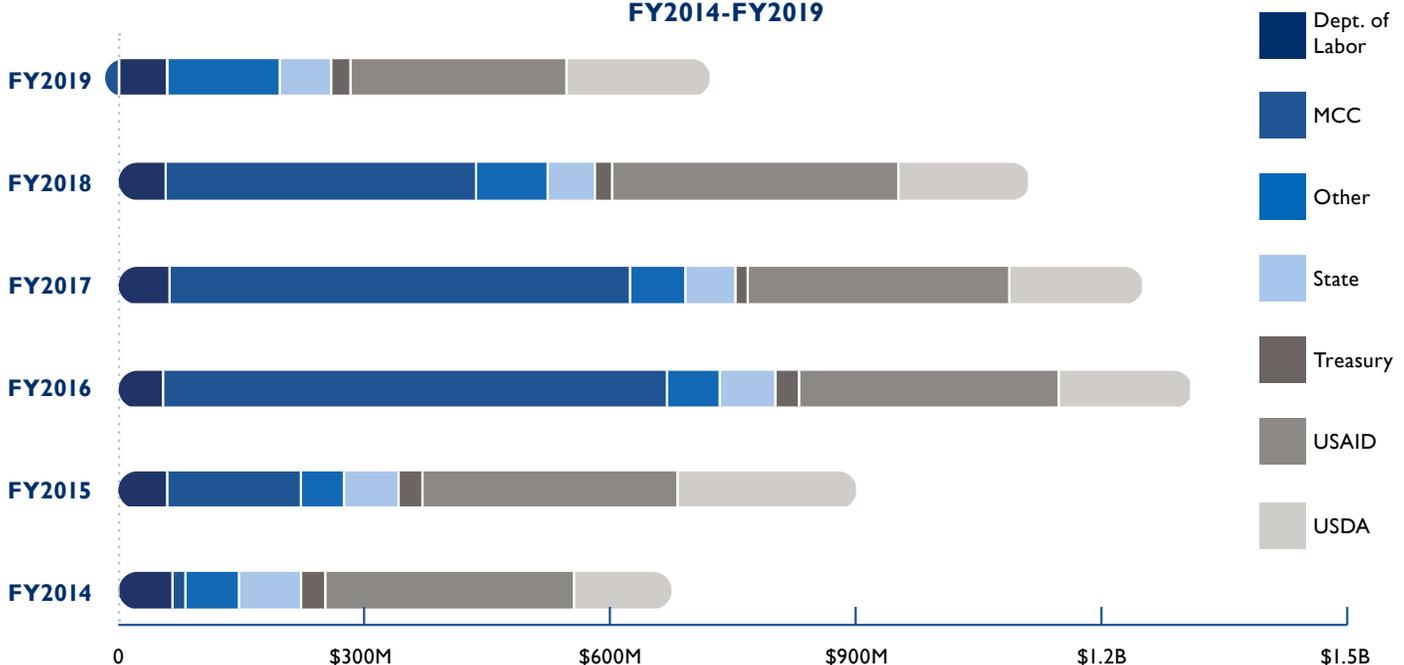
▼ \$359.7 MILLION

Millennium Challenge Corporation (MCC)

U.S. GOVERNMENT TCB FUNDING

Total U.S. Government (USG) investments in TCB **decreased by 37 percent from FY2018 to FY2019**. The decline is primarily attributed to the net negative obligation of TCB-related funding from Millennium Challenge Corporation (MCC), which did not initiate any new TCB-relevant compacts in FY2019. The decline in MCC obligations was partially offset by the inclusion for the first time of U.S. Department of Agriculture (USDA) agricultural development programs Food for Progress and Local and Regional Procurement. The FY2019 survey captured obligations for these programs, which average over \$100 million annually, going back to 2012. As a result, the TCB totals for every fiscal year from 2012 to the present have increased.

OBLIGATIONS BY FUNDING AGENCY FY2014-FY2019

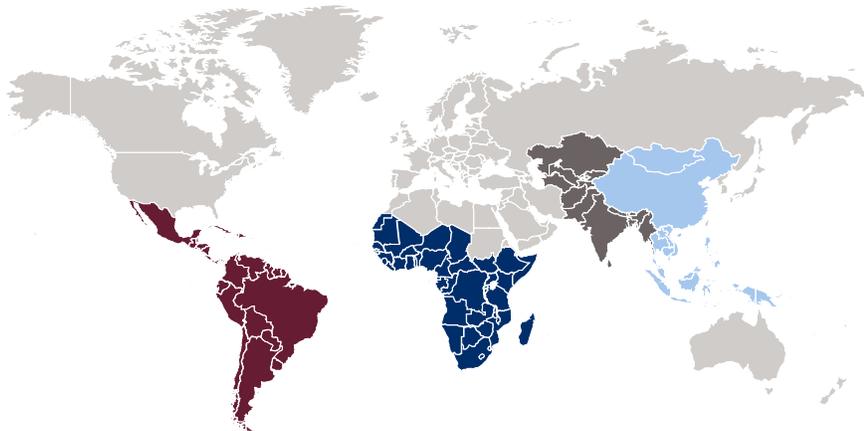


Source: USAID, TCB Database

Note: "Other" includes USDTA, DOI, OPIC, Peace Corps, Inter-American Foundation, African Development Foundation, DHS, Commerce, DOD, FTC, DOJ, and EX-IM

TRADE CAPACITY BUILDING REGIONS & INCOME GROUPS

FY2019 REGIONAL OVERVIEW



The **Western Hemisphere** region received the second-largest amounts of TCB investment this year (\$144M), a decrease of \$4M from 2018 levels, funded 193 activities in 25 countries or regional groups.



Despite being the region with the largest funding in FY2019 (\$190M), TCB funding for **Sub-Saharan Africa (SSA)** countries decreased by \$313M from FY2018.



The fourth-largest amount of TCB funding (\$73M) was allocated to **South and Central Asia**, a decrease of \$11M from 2018 levels.

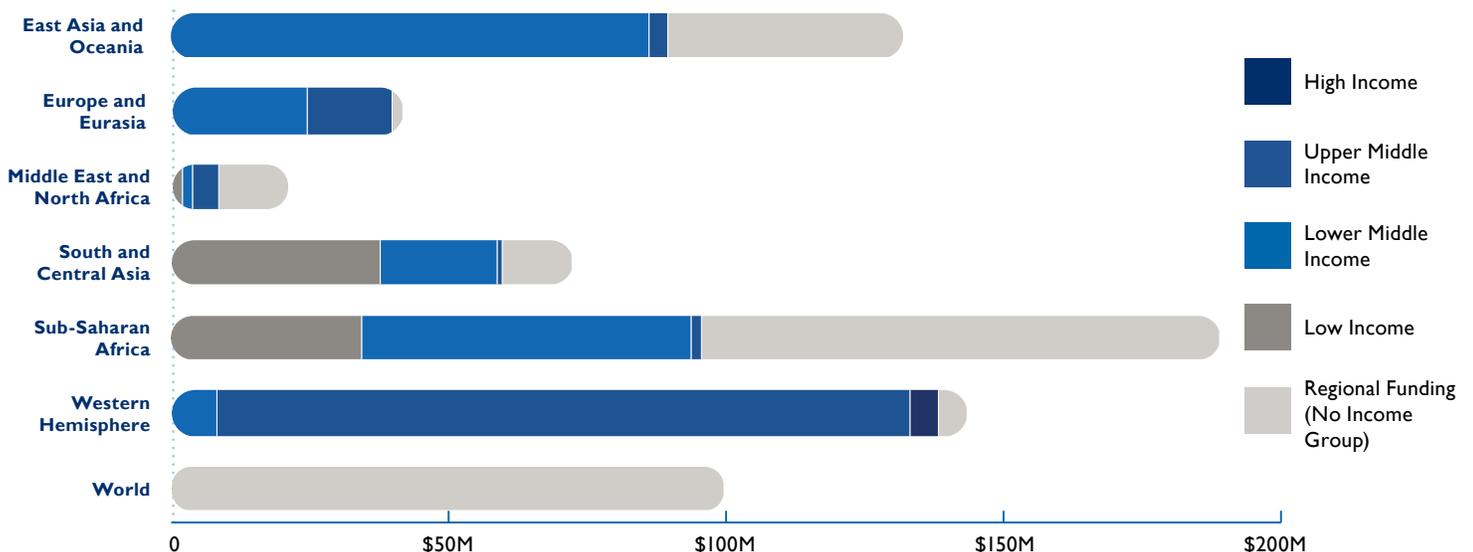


The third-largest amount of TCB funding in FY2019 (\$132M) was allocated to **East Asia and Oceania** nations, a decrease of \$6M from 2018 levels.

Bilateral and Multilateral Assistance: Bilateral TCB assistance (\$603M) between the United States and recipient states accounted for over 85 percent of all TCB assistance. Slightly less than 15 percent of TCB funding (\$100M) was allocated to global, region, and sub-regional programs. This global category was the only geographical area to see a funding increase from 2018 (less than \$1M).

KEY FIGURES

TRADE CAPACITY BUILDING FUNDING BY REGION AND INCOME GROUP FY2019



Source: USAID, TCB Database

Note: The World Bank (WB) divides country economies into four income groupings: low, lower-middle, upper-middle, and high, based on gross national income (GNI) per capita. More information about WB Income Groups here: [Classification of Countries by Income](#).

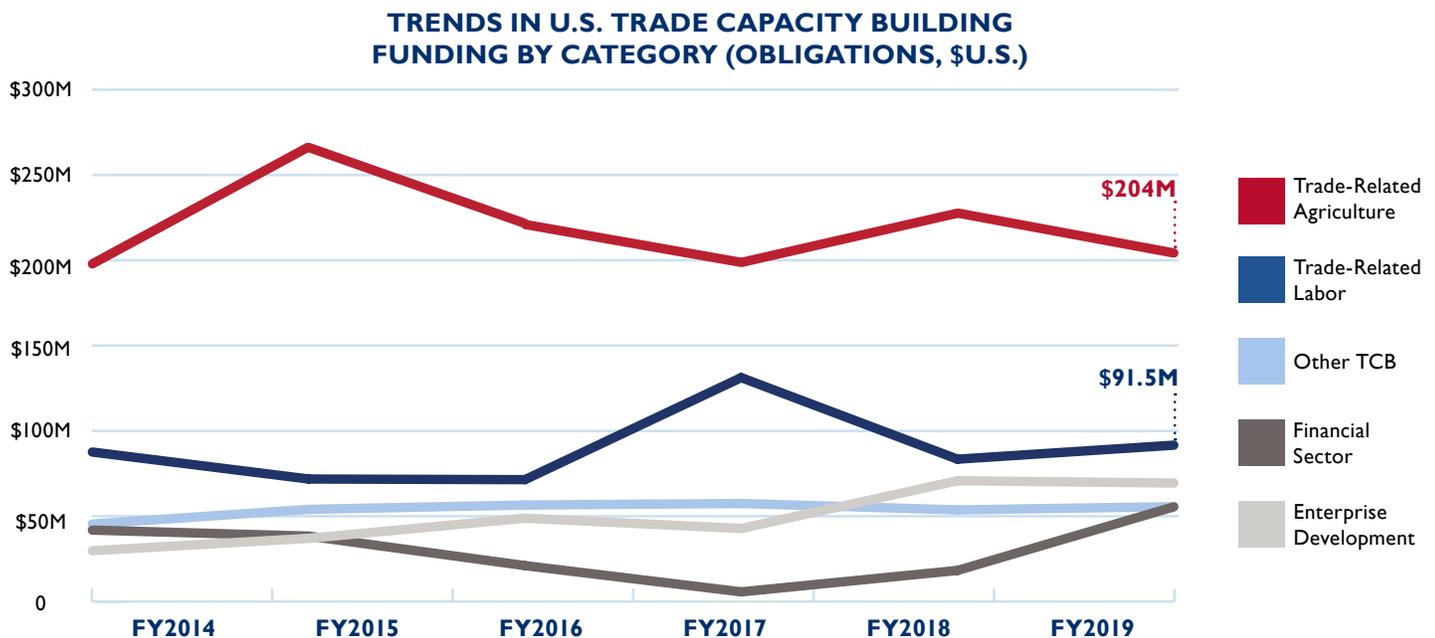
TRADE CAPACITY BUILDING TRENDS IN TCB CATEGORIES

The focus of overall USG trade capacity building (TCB) efforts in any given year is strongly influenced by the type of trade-capacity building activities undertaken by the Millennium Challenge Corporation (MCC), due to the large size of the compacts it funds and the relevance of the compacts to trade capacity. In FY2019, MCC funding for TCB-related activities is net negative due to a lack of new compacts and compounded by several large de-obligations canceling out the TCB-related activities that received funds.

Funding for trade-related labor comprised a significant portion of the FY2017 MCC compact in Morocco. With the whole of that five-year compact's funding reported in FY2017, funding for trade-related labor activities predictably fell in FY2018 and only recovered slightly in FY2019.

KEY FIGURES

The capture for the first time of agricultural development programs funded by the Department of Agriculture (USDA) results in more robust reporting for the TCB funding category of Trade-related Agriculture activities.



Source: USAID, TCB Database

Note: Chart excludes Millennium Challenge Corporation (MCC); includes top 5 most funding in FY2019

TRADE-RELATED AGRICULTURE FUNDING: FY2014-FY2019

In FY2014-FY2019, the bulk of the funding in this category went towards USDA activities in:



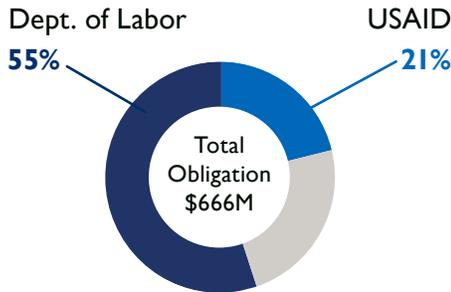
The U.S. Agency for International Development (USAID) is the second largest supporter of USG trade-related agriculture activities, with nearly 50 percent of its FY2019 funding in this category benefiting Afghanistan (\$33M).

TRADE CAPACITY BUILDING FOCUS ON: TRADE-RELATED LABOR

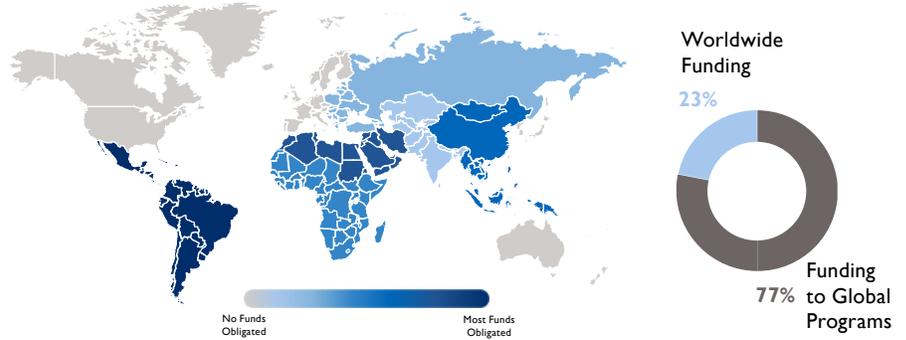
Trade-related Labor activities have been the second-highest funded category for TCB obligations every year since FY2014.

KEY FIGURES

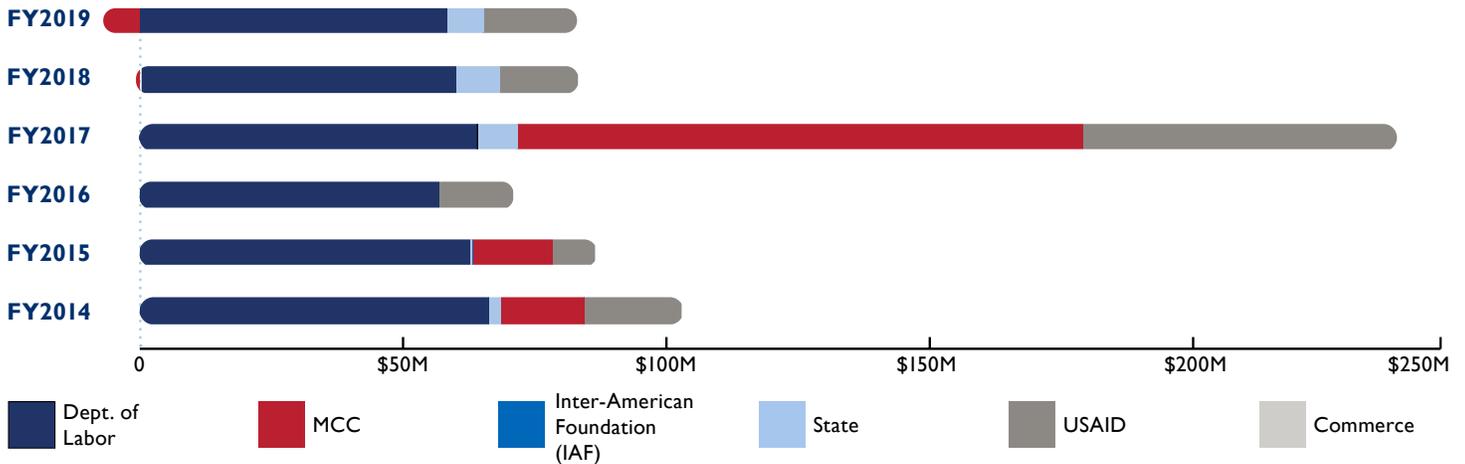
TOP USG OBLIGATIONS FY2014-FY2019



TRADE-RELATED LABOR FUNDING BY REGION FY2014-FY2019



TRADE-RELATED LABOR OBLIGATIONS BY FUNDING AGENCY, \$US

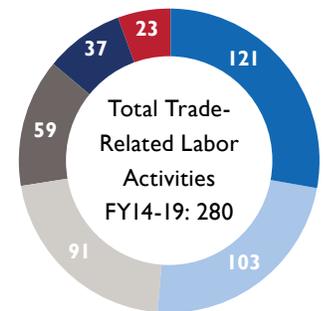


Source: USAID, TCB Database

TRADE-RELATED LABOR CATEGORIES

The trade-related labor category activities can be roughly grouped into six sub-categories: (1) improving labor and workers' rights, (2) ensuring labor equity and equal access to jobs, particularly for women and vulnerable groups, (3) building capacity of civil society and worker organizations, (4) reducing forced and/or child labor, (5) labor law compliance and governance, and (6) workforce or human capital development.

Many activities in the Trade-related Labor category address more than one of these sub-category issues, such as the USAID Global Labor Program (\$44M since FY14), which varies by region or country of implementation, but often targets the first three sub-categories (civil society, labor rights, and labor equity). Another example of a cross-cutting Labor activity is the Department of Labor's Better Work Program (\$20M since FY14), which focuses on improving working conditions in global textile and apparel supply chains by promoting better conditions for workers and monitoring factories' compliance with labor laws and international standards.



Source: USAID, TCB Database

Note: Due to the cross-cutting nature of some trade-related labor programs, several activities are counted in multiple sub-categories, such that the sum of activities by sub-category exceeds the total number of Trade-related Labor activities during this period.