

US Policies affecting Developing Countries: Overview

US Foreign Aid

- U.S. Agency for International Development (USAID)

USAID's history goes back to the Marshall Plan reconstruction of Europe after World War Two and the Truman Administration's Point Four Program. In 1961, President John F. Kennedy signed the Foreign Assistance Act into law and created by executive order USAID.

(http://www.usaid.gov/about_usaid/)

- Millenium Challenge Account (MCA)

President Bush announced the creation of the MCA at the United Nations Conference on Financing for Development in Monterrey, Mexico in March 2002. It was signed into law on January 23rd 2004. \$1 billion in initial funding is provided for FY04. This is set to increase to \$5 billion a year starting in FY06.

The MCA will “reward Good Policy: Using objective indicators, countries will be selected to receive assistance based on their performance in governing justly, investing their citizens, and encouraging economic freedom.”

(http://www.mca.gov/about_us/overview/index.shtml)

US HIV/AIDS Initiatives

- to date the Administration has committed \$500 million to the “The Global Fund to Fight AIDS, Tuberculosis and Malaria”

(<http://www.whitehouse.gov/infocus/developingnations/hivaids.html>)

on the fund see: <http://www.theglobalfund.org/en/>

- Emergency Plan for AIDS Relief¹

The plan entails the commitment of \$15 billion over the next five years, including nearly \$10 billion in new money. Bush's Emergency Plan for AIDS Relief aims to achieve the goals of treating at least two million people with anti-retroviral therapy, preventing seven million new infections, and caring for 10 million persons infected with and affected by HIV, including orphans and vulnerable children. The Emergency Plan focuses its efforts in 15 countries in Africa and the Caribbean.²

(http://www.usaid.gov/our_work/global_health/aids/pepfar.html)

The administration seeks to prevent HIV infection by: "Emphasizing Abstinence ... the only sure way to prevent sexual transmission of AIDS

(<http://www.whitehouse.gov/infocus/hivaids/index.html>)

US Bilateral Trade Deals with Developing Countries

- Generalized System of Preferences (GSP)

The GSP program was instituted on January 1, 1976 and provides preferential duty-free entry for more than 4,600 products from approximately 140 designated beneficiary countries and territories.

- African Growth and Opportunity Act (AGOA)

AGOA extends duty-free treatment under the GSP to Sub Saharan African countries that meet US *political and economic* benchmarks for more than 1,800 tariff line items in addition to the standard GSP list. AGOA also contains special apparel provisions that

¹ Since October 2003 the US Global AIDS Coordinator (Randall L. Tobias) is in office. He has the rank of Ambassador and reports directly to Secretary Powell. The Coordinator's primary role is to advise, direct, shape, and oversee President George W. Bush's Emergency Plan for AIDS Relief -- U.S. policy and programs designed to turn the tide against the global HIV/AIDS pandemic. <http://www.state.gov/s/gac/>

² These countries—which are home to nearly 50 percent of HIV infections worldwide—are Botswana, Cote d'Ivoire, Ethiopia, Guyana, Haiti, Kenya, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda, Vietnam and Zambia.

allow for limited duty and quota-free access to the US market for textiles manufactured in AGOA countries.

- Andean Trade Preference Act

The Andean Trade Preference Act was enacted in 1991 to combat drug production and trafficking in the Andean countries: Bolivia, Colombia, Ecuador and Peru. It provides duty-free access to U.S. markets for approximately 5,600 products.

- Caribbean Basin Initiative

Initially launched in 1983 through the Caribbean Basin Economic Recovery Act (CBERA), and substantially expanded in 2000 through the U.S.-Caribbean Basin Trade Partnership Act (CBTPA), the CBI currently provides 24 beneficiary countries with duty-free access to the U.S. market for most goods.

http://www.ustr.gov/Trade_Development/Preference_Programs/Section_Index.html