USAID
FROM THE AMERICAN PEOPLE

CHAMPIONING ECONOMIC GROWTH BEST PRACTICES IN ASIA AND THE MIDDLE EAST

Asia and Middle East Economic Growth Best Practices Project

SEPTEMBER 30, 2017

This publication was produced for review by the United States Agency for International Development.
It was prepared by Chemonics International Inc.

CHAMPIONING ECONOMIC GROWTH BEST PRACTICES IN ASIA AND THE MIDDLE EAST

Asia and Middle East Economic Growth Best Practices Project

USAID Contract No. GS-23F-0127P
Task Order AID-OAA-M-12-00008

Onion farmer tends his crops in Sri Lanka

CHEMONICS / AMEG

Red onion farmer, Vinayamurthi Pushparani.

CONTENTS

FRONT COVER: Women participate in youth empowerment TedX event in Yemen

Customs official and workshop participant at Khalifa Bin Salman Port in Bahrain.

CHEMONICS / AMEG

ACRONYMS

AMEG Asia and Middle East Economic Growth Best Practices Project

ASEAN Association of Southeast Asian Nations

BRCP Tunisia Business Reform and Competitiveness Program

CMAA Customs Mutual Assistance Agreement

ECP Enterprise Competitiveness Program

ESG Environmental, social, and governance

GECOL General Electric Company of Libya

IPEC Indo-Pacific economic corridor

ME/TS Middle East Technical Services

MEDA Mennonite Economic Development Association

MENA II Middle East and North Africa Investment Initiative

MENA Middle East and North Africa

MSME Micro, small, and medium enterprise

NTB Non-tariff barrier

OECD Organization for Economic Co-operation and Development

PFM Public financial management

SME Small and medium enterprise

TCP Tunisia Tax and Customs Reform Activity

TFA Trade Facilitation Agreement

TTN Tunisia TradeNet

USAID United States Agency for Economic Development

WTO World Trade Organization

YEFE Yemen Education for Employment

SECTION I

PROJECT OVERVIEW

Building on the accomplishments of previous centrally funded, innovative platforms for technical best practices implementation and strategic support to missions, including the Financial Sector Knowledge Sharing Project and Business Growth Initiative, the United States Agency for International Development (USAID) launched the Asia and Middle East Economic Growth Best Practices (AMEG) project in 2013. A five-year initiative with a shared ceiling of $69 million, AMEG enabled technical support teams in USAID's Asia and Middle East bureaus to collaborate with USAID missions and operating units to identify and address specific technical and strategic challenges in economic growth programming. During the project's lifespan, AMEG and the bureau's technical support teams worked with 30 missions, USAID operating units, and other U.S. government agencies to identify country and region priorities, capture and disseminate best practices, develop strategies and programs, and pilot innovative technologies and approaches to enable broad-based and more-inclusive economic growth in Asia and the Middle East.

TECHNICAL SCOPE

A flexible mechanism designed to capture and disseminate best practices and pilot innovative approaches and technologies, AMEG worked across a wide range of economic growth sectors to provide USAID missions and operating units with design assistance, technical assessments, model scopes of work, technical briefs, case studies, and user-friendly sector diagnostics in Asia and the Middle East. Under the guidance of USAID's Asia and Middle East bureaus and participating missions, AMEG formulated concepts and designed scopes of work for short-term economic growth assessments and pilot activities. AMEG also connected mission staff with tools and resources on best practices and championed broader knowledge-sharing endeavors and events. In addition, AMEG assisted select missions with implementation issues and piloted new and proven approaches to strengthen economic institutions and governance. Examples of AMEG's work across a range of key sectors are shown to the right.

AMEG ASSISTANCE
ACROSS ALL TECHNICAL AREAS

ENTERPRISE DEVELOPMENT

- Assessments, strategies, and design assistance
- Best practices guides and learning workshops
- Market-led/customer-driven small and medium enterprise development pilot programs
- Value chain assessments and optimization
- Enabling environment assessments and strategies

YOUTH AND WORKFORCE DEVELOPMENT

- Workforce development assessments
- Sector and employer-specific strategies
- Job training and job placement pilot programs

FINANCIAL INCLUSION

- Market assessments and research
- Policy assessments and best practices guides
- Guides and workshops on innovative financial products and approaches
- Strategies to enhance mobile money and branchless banking policies and interventions
- Strategies and pilots to attract diaspora investment
- Gender inclusive finance strategies and pilots

PUBLIC FINANCIAL MANAGEMENT

- Public Financial Management assessments, strategies, pilots and capacity building
- Tax policy and administration reform strategies, pilots, and capacity building
- Payroll and pension reform strategies and pilots
- Local government assessments and capacity building

TRADE FACILITATION

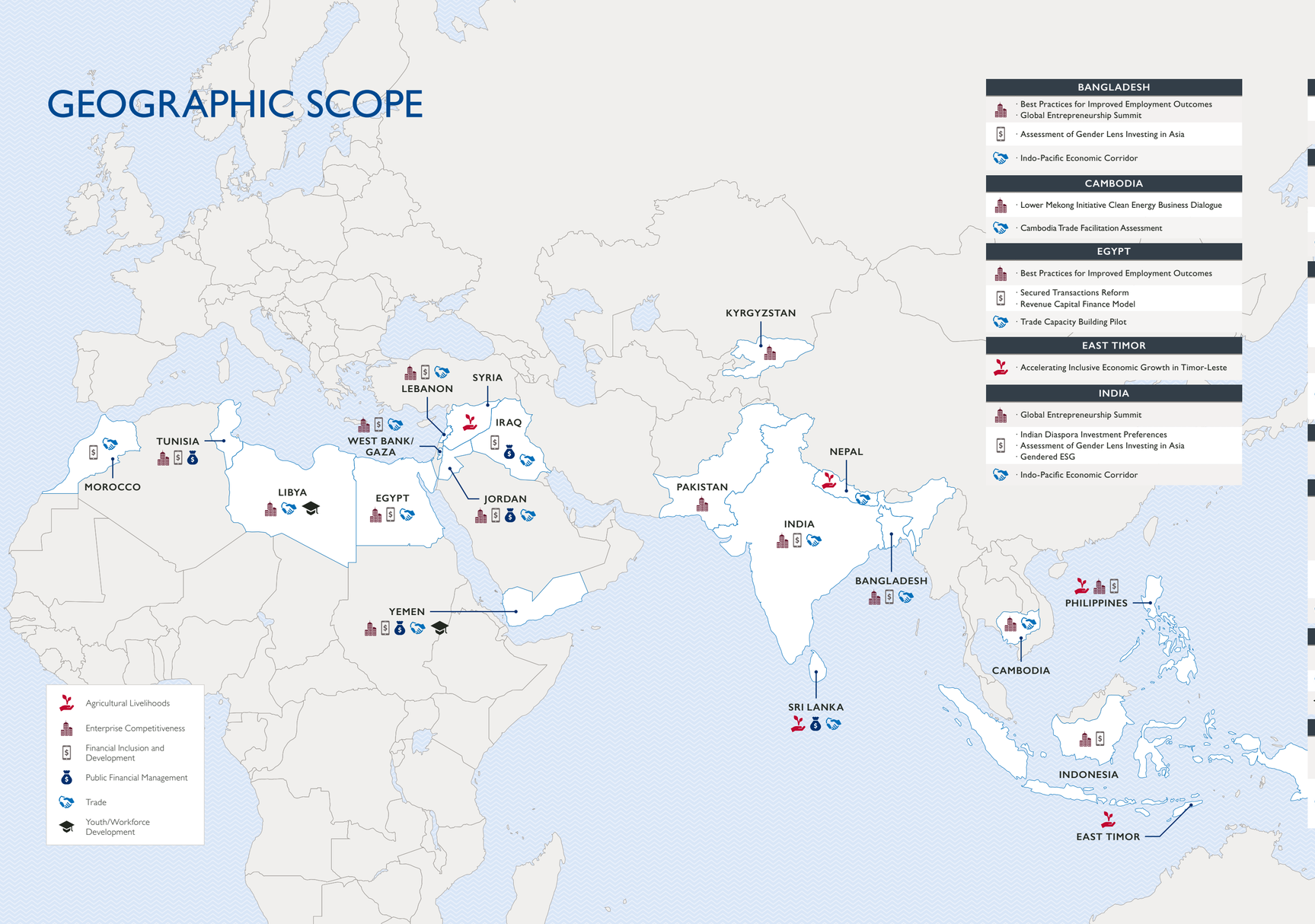
- Trade policy diagnostics
- Domestic and regional trade facilitation assessments, strategies, and pilot programs
- Customs capacity building workshops and support
- Trade corridor development
- Gender inclusive trade development

AGRICULTURAL LIVELIHOOD AND VULNERABLE POULATIONS

- Value chain assessments
- Strategies and pilots for private sector engagement
- Market-led agricultural development
- Livelihoods strategies and pilots for vulnerable populations during and post-conflict/disaster

Cambodian Commerce Minister Pan Sorasak shakes hands with U.S. Ambassador to Cambodia William A. Heidt at a workshop presenting findings of AMEG's trade facilitation assessment.

GEOGRAPHIC SCOPE



BANGLADESH

- Best Practices for Improved Employment Outcomes
- Global Entrepreneurship Summit
- Assessment of Gender Lens Investing in Asia
- Indo-Pacific Economic Corridor

CAMBODIA

- Lower Mekong Initiative Clean Energy Business Dialogue
- Cambodia Trade Facilitation Assessment

EGYPT

- Best Practices for Improved Employment Outcomes
- Secured Transactions Reform
- Revenue Capital Finance Model
- Trade Capacity Building Pilot

EAST TIMOR

- Accelerating Inclusive Economic Growth in Timor-Leste

INDIA

- Global Entrepreneurship Summit
- Indian Diaspora Investment Preferences
- Assessment of Gender Lens Investing in Asia
- Gendered ESG
- Indo-Pacific Economic Corridor

INDONESIA

- Global Entrepreneurship Summit
- Gendered ESG

IRAQ

- Secured Transactions Reform
- Support to Middle East & North Africa Investment Initiative
- Revenue Capital Finance Model
- Iraq Public Financial Management
- Trade Capacity Building Pilot

JORDAN

- Best Practices for Improved Employment Outcomes
- Secured Transactions Reform
- Support to Middle East & North Africa Investment Initiative
- Revenue Capital Finance Model
- Jordan Fiscal Assessment
- Trade Capacity Building Pilot
- Advantages and Disadvantages of Geographic Indicators System
- Trade Facilitation Needs Assessments

KYRGYZSTAN

- Kyrgyz Republic Economic Growth Assessment

LEBANON

- Best Practices for Improved Employment Outcomes
- Increasing Enterprise Growth & Jobs
- Lebanon Diaspora Engagement Pilot
- Lebanon Ta3mal Pilot
- Assessment of LGBTI Economic Inclusion
- Secured Transactions Reform
- Support to Middle East & North Africa Investment Initiative
- Revenue Capital Finance Model
- Trade Capacity Building Pilot

LIBYA

- Libya Enterprise Competitiveness
- Libya Public Financial Management
- Libya Workforce Development

MOROCCO

- Secured Transactions Reform
- Support to Middle East & North Africa Investment Initiative
- Revenue Capital Finance Model
- Trade Capacity Building Pilot
- Advantages and Disadvantages of Geographic Indicators System
- Trade Facilitation Needs Assessments

NEPAL

- Private Sector Engagement Assessment
- Indo-Pacific Economic Corridor

PAKISTAN

- Best Practices for Improved Employment Outcomes
- Pakistan Non-Agricultural Value Chain Assessment
- Global Entrepreneurship Summit

PHILIPPINES

- Improved Infrastructure in Palawan
- Lower Mekong Initiative Clean Energy Business Dialogue
- Global Entrepreneurship Summit
- Assessment of Gender Lens Investing in Asia

SYRIA

- Syria Economically Essential Services

SRI LANKA

- Supporting Opportunities for Livelihoods Development Pilot
- Sri Lanka Livelihoods Assessments
- Sri Lanka Public Financial Management Needs Assessment
- Indo-Pacific Economic Corridor

TUNISIA

- Best Practices for Improved Employment Outcomes
- Assessment of LGBTI Economic Inclusion
- Secured Transactions Reform
- Revenue Capital Finance Model
- Tunisia Tax and Customs Reform Pilot
- Trade Capacity Building Pilot
- Trade Facilitation Needs Assessments

WEST BANK/GAZA

- Best Practices for Improved Employment Outcomes
- Secured Transactions Reform
- Trade Capacity Building Pilot

YEMEN

- Yemen E-Money Services Gap Analysis
- Yemen Mobile Money Regulations
- Yemen E-Money Services Gap Analysis
- Yemen Microfinance Network Training Kit for Loan Officers
- Yemen Mutual Accountability Framework
- Yemen Workforce Development Pilot
- Yemen Workforce Development Appraisal
- Trade Facilitation Needs Assessments
- TedX Entrepreneurship Events and Start-Up Weekends

BY THE NUMBERS

350

JOBS CREATED
in 2 months in Libya through enterprise competitiveness pilot program

5

USAID MISSIONS
with programming influenced by AMEG enterprise competitiveness knowledge dissemination activities

111

USAID OFFICERS
and implementers trained on the enterprise competetiveness approach

1,167

DAIRY FARMERS
linked with international milk buyers and trained in improved production in Sri Lanka

20

START-UPS
created through Start-Up Weekends in Yemen

15

ENTERPRISE COMPETETIVENESS
assessments and pilots implemented in 10 countries

SECTION 2

ENTERPRISE DEVELOPMENT

SMEs make up nearly 90 percent of businesses in the Middle East and North Africa (MENA) and 98 percent in Asia-Pacific. These businesses are the key drivers of job creation, employing 66 percent of the labor force in both regions. A core objective of AMEG was to aid missions in designing and implementing economic growth programming to enable the growth and development of SMEs and create new employment opportunities. AMEG activities ranged from assessing the potential for SME growth in specific sectors to documenting and piloting cost-effective approaches to SME development and job creation. In this section, we highlight some of AMEG's key achievements in identifying enterprise development best practices and supporting missions in Asia and the Middle East to put them into action.

DOCUMENTING COST-EFFECTIVE APPROACHES TO JOB CREATION

The existence of a jobs crisis in MENA is well documented. Less than one-half of the working-age population in MENA is employed or in school. Although MENA's youth is relatively well educated, the region has the highest youth unemployment rate in the world (28 percent), and the share of women in the workforce is lower than any other region. The question is: Can the U.S. government improve employment outcomes in the region and, if so, what is the most cost-effective method of doing so?

In 2014, AMEG, working closely with partners Banyan Global and the JOBS Group, embarked on an ambitious initiative to answer this question and identify the most

Food processor growing his business with USAID support in Tunisia. CHEMONICS / ISAIAH OLIVER

AMEG CASE STUDIES ON PROMISING APPROACHES TO JOB CREATION

- USAID Maximizing Agricultural Revenue and Key Enterprises in Targeted Sites project in Nigeria
- USAID Business Reform and Competitiveness project in Tunisia
- USAID Job Opportunities and Business Support project in Bangladesh
- Endeavor Global Entrepreneurship
- World Bank's Mauritius Business Growth project

cost-effective approaches to job creation in MENA and beyond. The AMEG team examined data from more than 40 projects to identify successful USAID and non-USAID projects that yielded the best employment outcomes. From this, the AMEG team conducted in-depth research into the most promising programs, in MENA and globally, and documented their approaches in a series of case studies (see text box).

AMEG's research indicated that programs using a tailored approach to help firms identify real buyers and address bottlenecks to new sales and growth can have a direct and cost-effective impact on job creation. For example, in Tunisia the USAID Business Reform and Competitiveness Program helped create 15,128 jobs at a cost per job of $954. USAID has used similar approaches successfully in at least 15 countries that span many different regions, cultures, and stages of economic development.

DEVELOPING TOOLS TO SUPPORT COST-EFFECTIVE MISSION PROGRAMMING

Often, enterprises' most significant growth constraints are firm-specific and, as such, they require tailored solutions to take advantage of existing markets and reach new ones. Yet donors shy away from firm-level enterprise competitiveness assistance —

often due to a misperception that the cost and effort required to tailor solutions to individual firms is not a cost-effective use of resources.

Building on findings from its research into cost-effective approaches to SME growth and job generation, AMEG developed a series of tools and training courses to help missions better understand and utilize the highly cost-effective firm-level enterprise competitiveness approach in future programming. First, AMEG developed a practical technical guide to this type of enterprise competitiveness program (ECP). The best practices in the guide present an ECP approach that maximizes cost-effectiveness by promoting accountability, aligning incentives for optimal performance, and ultimately, helping create jobs that are directly attributable to USAID assistance. The guide begins with an overview of ECPs, including some examples of USAID programs, a theory of change, an economic rationale for this approach, a discussion of the advantages of ECPs, and a discussion of how ECPs can complement and bolster other types of USAID assistance. Remaining sections provide practical advice for planning and implementing an ECP, including guidance on planning, procurement, and project implementation, and monitoring and evaluation (M&E). The guide also includes an ECP model scope of work and a diagnostic checklist to help USAID determine whether their country context is appropriate for an ECP. The technical guide can be found on USAID's Development Experience Clearinghouse.

AMEG later developed and delivered a series of training workshops and other tools to introduce economic growth officers and practitioners to the ECP approach and technical guide. Approximately 111 staff from USAID and implementing partners attended these workshops in Washington, D.C., and Frankfurt, Germany. AMEG also produced a short video introduction and an infographic (see page 17) to the ECP approach to share with a broader audience of USAID economic growth officers and practitioners. The full version of the video can be found on USAID's Development Experience Clearinghouse.

INFORMING MISSION SME SUPPORT PROGRAMS

AMEG's ECP guide and hands-on workshops have informed mission programming in at least five countries to date in the MENA region, and have influenced programming in other USAID missions worldwide. One of these countries is Lebanon, where AMEG conducted a two-month assessment to identify impediments to SME growth and opportunities for USAID to remove or alleviate these impediments in the future. As in other countries, AMEG found that

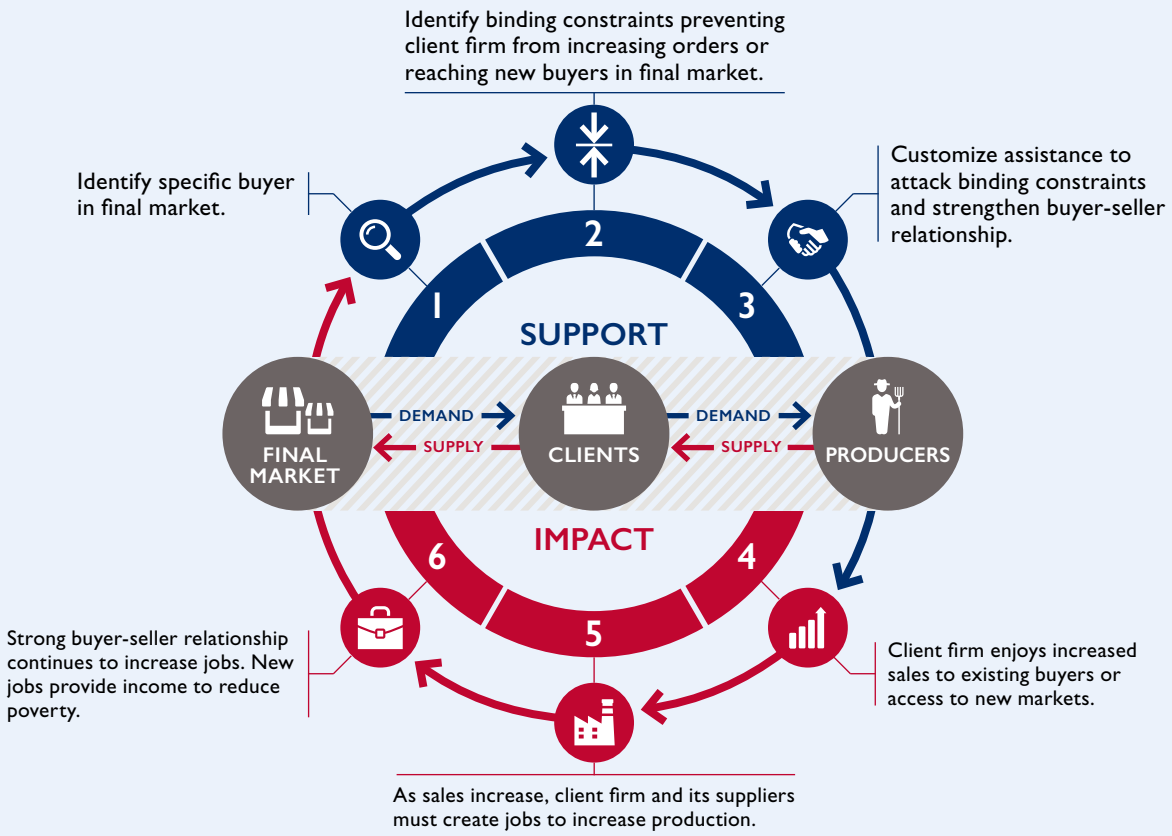
SME needs and constraints were not homogenous, even within specific sectors like agribusiness and manufacturing. AMEG provided guidance for the mission that explained how a sector-agnostic ECP program focused on linking SMEs with buyers and addressing constraints at the firm level could help businesses become more efficient and competitive, thus increasing sales and jobs. The assessment also highlighted how targeted workforce development and export promotion initiatives could complement the ECP approach and multiply the number of jobs created. The mission has plans to implement an ECP beginning in late 2017.

PILOTING COST-EFFECTIVE APPROACHES WITH SMES AFFECTED BY CONFLICT

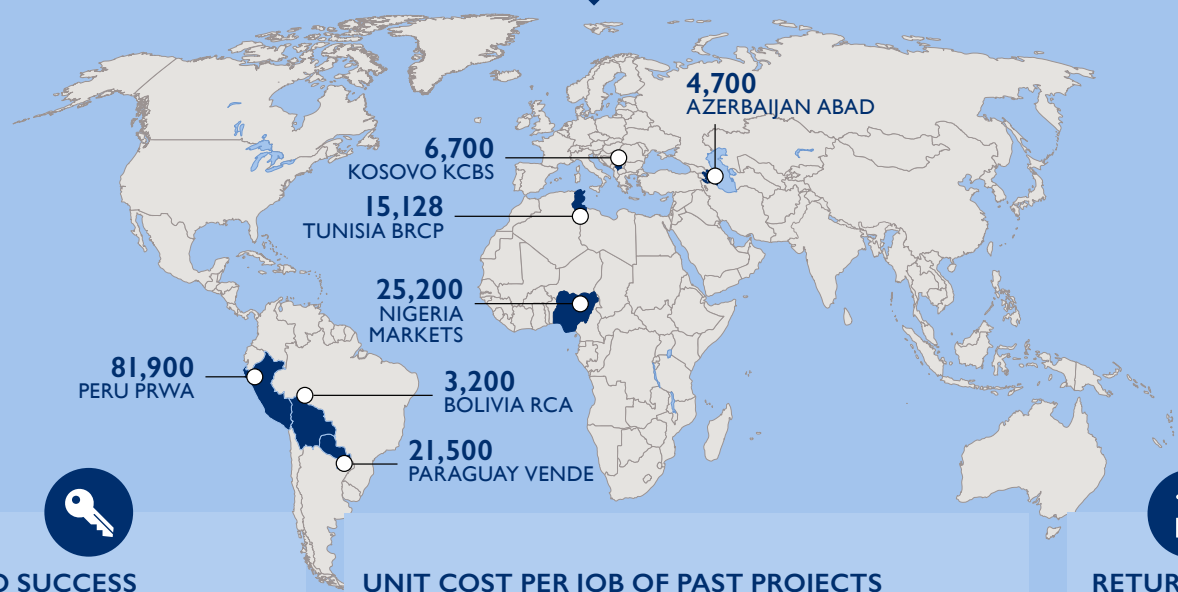
Utilizing its successful ECP approach from Tunisia, AMEG partner the Pragma Corporation identified and provided assistance to 16 firms in Tripoli and Sebha, Libya. Unlike on the Tunisia BRCP program, Pragma could not send international experts to Libya to work directly with firms. Instead, Pragma developed a network of Libyan consultants who could provide needed assistance to Libyan firms. In roughly half the cases, AMEG also brought Libyan managers and employees to Tunisia to receive targeted training. Through this combination of bringing Libyans to Tunisia for training, and providing direct assistance through Libyan advisors, Pragma helped all of the firms address key bottlenecks to business growth and increase sales.

Despite serious operating constraints, including frequent blackouts, militia activity, and limited access to roads and transport, Libyan firms participating in the program hired 351 employees within just two months of receiving technical assistance. Most of those hired were Libyans under the age of 30. AMEG's experience in Libya provides encouragement that this type of approach could work in other conflict-affected contexts like Syria and Iraq, and could help communities in those countries rebuild their economies after conflicts end.

WORKING WITH INDIVIDUAL FIRMS TO DELIVER RESULTS



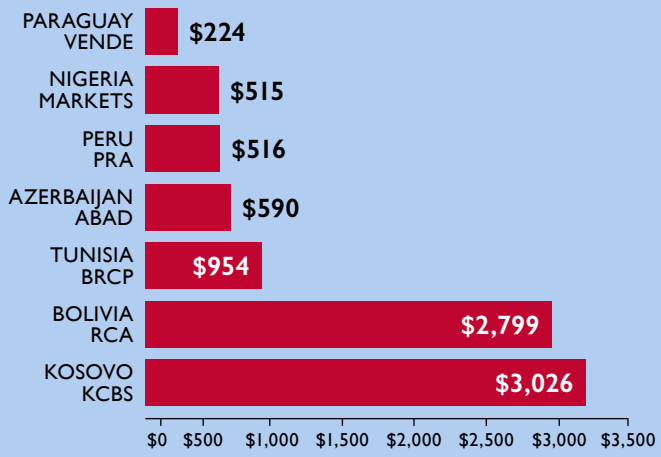
This approach has created **158,328 jobs** on just seven USAID programs



KEYS TO SUCCESS

- Identify specific buyers before designing assistance packages
- Design solutions to address individual problems; do not bring a pre-packaged solution looking for a problem
- Adhere to a disciplined approach for selecting client firms using a quantitative criterion, such as the $500 to 1 job rule
- Require client firms to put "skin in the game" by cost-sharing assistance packages
- Set realistic but ambitious targets and hold people accountable for achieving results
- Use robust M&E systems that ensure jobs are real and attributable to the project
- Focus on jobs, not sectors, and let the team capitalize on opportunities wherever they appear

UNIT COST PER JOB OF PAST PROJECTS



RETURN ON INVESTMENT

To put the cost-effectiveness numbers at left in context, Chris Blattman, a development economist at the University of Chicago, suggested that a job creation program in Africa with a unit-cost of $8,500 per job may be the most cost-effective program in history.

To learn more, find the Enterprise Competitiveness Technical Guide on USAID's Development Experience Clearinghouse

BY THE NUMBERS

100

JOB SEEKERS
in Lebanon were employed due to Ta3mal pilot site and social media outreach efforts

628

YOUTH TRAINED
through employer-driven workforce development programs in Yemen

280

YOUTH
(including nearly 100 women) placed in jobs in Yemen

30,000

Youth across Yemen
PARTICIPATED IN TEDX EVENTS
promoting youth empowerment and entrepreneurship

11

YOUTH AND WORKFORCE DEVELOPMENT
assessments and pilots implemented in 7 countries

SECTION 3

YOUTH AND WORKFORCE DEVELOPMENT

A recent World Economic Forum highlights the high rates of unemployment and under-employment in MENA — especially among the young and relatively well-educated — and the low participation of women in the workforce. Youth unemployment in the MENA region stands at 31 percent, with two in five university graduates out of a job. Nearly 40 percent of employers in the MENA region indicate that skills gaps are a major impediment to business growth, citing a lack of basic problem-solving skills, creative and independent thinking, and soft skills as well as technical skills. A recent USAID study found similar complaints from employers in Southeast Asia. While nearly 80 percent indicated that they are currently looking to hire new staff to expand their businesses, only 15 percent reported that recent graduates had the language, teamwork, and technical skills needed to be successful in the workforce.

AMEG piloted several targeted interventions aimed at linking youth with opportunities to develop skills needed in the workforce and subsequently linking them jobs. The sections below highlight several of these initiatives.

BUILDING SKILLS AND MATCHING YOUTH WITH JOBS

As its first ever activity, AMEG conducted an economic growth assessment for USAID/Yemen to evaluate the mission's existing economic growth activities. Given that in 2014, more than 75 percent of the Yemeni population was below the age of 25 and that youth ages 18 to 24 suffered from a 50 percent unemployment

rate, the assessment team recommended activities to enhance youth employment opportunities and help build skills needed in the private sector. USAID/Yemen agreed and reengaged AMEG to develop demand-driven, results-oriented activities that would result in placing qualified Yemenis in jobs, with a special emphasis on youth.

Building on recommendations from private sector employers, AMEG began working with a local subcontractor, Yemen Education for Employment (YEFE) in 2014 to design and implement a program to leverage private sector participation to match workforce skills with employer needs. Based on the results of a labor market assessment, AMEG and YEFE developed a program working with local vocational and educational training institutes to train a total of 684 students in workforce readiness, business English, and technical training across Sana'a, Aden, and Taiz. As part of their training, the students visited private sector companies over the course of several business days to experience real work-environments and conduct research on products, marketing, and sales. The students then completed a group capstone project to design promotional presentations for the businesses they visited. More than sixty companies participated in the AMEG pilot across Sana'a, Aden, and Taiz.

AMEG also facilitated introductions between YEFE and USAID's Maternal and Child Health Integrated Program in Yemen to develop potential programmatic synergies on training for midwifery and nursing in Aden. This led to the creation of another targeted vocational training program in health care-related skills.

Sadly, in March 2015, Yemen descended into a full-fledged military conflict, resulting in USAID suspending all non-humanitarian programs operating in the country, including the AMEG workforce development activity. Despite the conflict, nearly 60 percent of graduates of the AMEG/YEFE training programs have been placed into jobs, including nearly 100 Yemeni women. Graduates of the health care skills training program became particularly important, as foreign health workers were forced to flee the country. YEFE graduates were able in many cases to provide health services for Yemenis during this critical time.

CREATING OPPORTUNITIES FOR YOUNG ENTREPRENEURS

Yemen's youth are often underemployed and face difficult survival decisions daily. In 2014 and 2015, AMEG worked with USAID/Yemen to organize two startup weekends in Sana'a and Aden to foster a culture of entrepreneurship among youth, guide startups

Young women participating in TedX event in Yemen

SNAPSHOT
Workforce Development to Counter Yemen's Growing Humanitarian Crisis

Together with partner YEFE, AMEG developed and rolled out workforce readiness trainings to Yemeni youth, preparing them for careers in the nursing industry. YEFE teamed with local training institutes to train young men and women in nursing skills as well as soft skills such as communications, workplace readiness, and English.

While nurses were in high demand prior to the political crisis, ongoing airstrikes and escalating ground fighting have made skilled nursing professionals absolutely critical in recent years. Since April 2015, major hospitals and medical centers in Yemen have reached out to YEFE staff and alumni in Yemen to hire dozens of AMEG-trained nurses, administrative assistants, and other job positions that were previously occupied by non-Yemenis who evacuated the country in 2015.

One such AMEG graduate, Amal Al Darwbi, a 24-year-old female from Sana'a, had just completed the AMEG technical training and had started an internship at the Yemen German Hospital in early 2015. With guidance and mentoring from YEFE staff, Amal talked to her internship supervisor about her interest in continuing to work in the hospital during the turmoil. In less than five months, the hospital had offered Amal a full-time position.

Despite the turmoil in Yemen, Amal felt empowered and reenergized by her new job and by the opportunity to use her newly-learned skills to help her fellow Yemeni citizens. As of 2016, the AMEG nurse training program had placed 28 of the 50 nurses trained in permanent nursing jobs in Sana'a and Aden.

to successfully launch pioneer businesses, and establish a social and professional networking base for aspiring and active entrepreneurs in Yemen. AMEG selected approximately 600 Yemeni entrepreneurs and youth to attend the two-day events in Aden and Sana'a, which immersed attendees in a hands-on process of moving an idea to market. Aspiring Yemeni entrepreneurs gained valuable skills, cultivated new and existing ideas, and built lasting professional networks.

Three teams received awards for the best business plans at each startup event, but AMEG estimates that attendees may have formed as many as 20 new businesses as a result of the workshops in both Sana'a and Aden.

SPARKING YOUTH ENGAGEMENT AND EMPOWERMENT

Back in 2014, as hate and intolerance increased in Yemen, youths aged 12 to 19 were increasingly being recruited into radical groups. To promote youth empowerment, foster entrepreneurialism, civic engagement, community security, and spread ideas worth sharing, AMEG together with the Lebanese International University brought the first youth-focused TEDx event to Yemen in January 2015. AMEG organized the TEDx event entitled Love, Acceptance, and Creativity for 650 people in attendance and 30,000 people online.

The event featured Yemeni and international speakers to discuss business, new technology and apps, science, and civic engagement. The Yemeni creators of a video and audio content search engine served as a major inspiration to the audience, speaking to the audience about creativity, creation, and finding success amid the political and economic hardships in Yemen. This search engine has garnered international interest, and has received multiple buy-out offers from international tech companies such as Facebook and Google.

With Yemen's political situation becoming more and more tenuous, finding positive sources of inspiration has become more difficult. The TEDx themes of creativity, entrepreneurship, love, and acceptance were timely and provided Yemen's most at-risk group, its youth, with reasons and examples to provide positive contributions to Yemen.

LEVERAGING TECHNOLOGY TO MATCH YOUTH WITH TRAINING AND EMPLOYMENT OPPORTUNITIES IN LEBANON

While online job-matching websites were available in Lebanon in 2015, they largely targeted experienced job seekers looking for high-

TEDxSanaa 2013 volunteer guiding the attendees in the registration process

© TEDX SANAA/ EMAN ALAWAMI

level management positions. In 2014, an examination of Bayt-Lebanon — one of the largest employment portals in the MENA region — showed only 339 job positions posted in Lebanon. Of those, only 94 positions were for entry-level positions usually filled by young university graduates. At the same time, employers complained that few youth job seekers in Lebanon had real work experience and lacked the right mix of hard and soft and skills to succeed in the workplace.

Seeing the need to provide youth in Lebanon with access to entry-level jobs and cost-effective training programs, AMEG teamed with Microsoft in 2015 to test its YouthWorks online job training and placement platform in Lebanon. Over the course of a year, AMEG, together with Lebanese private sector partner Netways, rolled out the platform — known as Ta3mal Lebanon — to 14 universities, donor programs, chambers of commerce, local development agencies, and nongovernmental partners. Through these partnerships with youth-focused organizations, AMEG and Netways brought 2,600 new youth job seekers to the platform, introducing them to new employment opportunities

A Speaker at the youth-focused TedX event in Sana'a, Yemen

as well as a wealth of online courses in topics ranging from English-language skills to accounting to IT. AMEG also convinced 175 new employers in Lebanon to use Ta3mal for recruiting purposes, and provided them with training and support to tailor successful job postings to recruit more qualified applicants. Over the course of the year-long pilot, employers posted 370 new jobs to the Ta3mal site, an increase of 53 percent in the number of jobs accessible to youth. AMEG and Netways also sponsored on-campus youth events and social media campaigns to share Ta3mal job postings and training opportunities more broadly.

A mid-term survey of employers exposed problems with the integration of Microsoft's platform with that of its job search engine powered by Bayt. As a result, AMEG discovered that many employers were not able to successfully register or post jobs via the platform. Despite what turned out to be a fatal flaw underlying the YouthWorks software, AMEG estimates that its Ta3mal social media outreach efforts may have linked up to 100 Lebanese job seekers with positions over the course of the year-long initiative.

DOCUMENTING PROS AND CONS OF PRIVATE SECTOR TECHNOLOGY ALLIANCES

Building on lessons learned from its unsuccessful experience working with Microsoft in Lebanon, AMEG crafted a guide for USAID economic growth officers and practitioners on working with private sector partners to support workforce development initiatives. The guide highlights workforce development programs and solutions from Microsoft, Oracle, Cisco, Souktel, and others, and provides a quick reference guide for readers to determine which, if any, of the solutions may complement their skills training and job matching initiative. The guide is available on USAID's Development Experience Clearinghouse.

BY THE NUMBERS

584

INVESTORS AND FINANCIAL PROFESSIONALS across the US and the Middle East received access to the Revenue Capital Model

$16 Million

INVESTED in SMEs with a social purpose in India in 2015 via the Indian Investment Initiative

20

Officials from 8 MENA countries **TRAINED** in secured transaction reform

$12 Million

Invested in 20 of **EARLY STAGE ENTERPRISES** via USAID's Middle East and North Africa Investment Initiative

2015

The year Yemen approved **MOBILE E-MONEY** service regulations

13

FINANCIAL INCLUSION assessments, pilots, and workshops implemented in 12 countries

SECTION 4

FINANCIAL INCLUSION

Micro, small, and medium enterprises (MSMEs) in emerging markets create roughly four out of every five new jobs, according to the World Bank. Yet more than 50 percent of MSMEs lack access to finance, which hinders their growth. The World Bank estimates that for the formal SME sector, the credit gap stands at roughly $1 trillion.

A key area of AMEG's work aimed at improving MSMEs' access to finance and to finding innovative solutions to unlock sources of new capital. Over the course of five years, AMEG supported and shared innovative approaches to investing in early stage enterprises and high-growth SMEs. AMEG also supported guides and workshops for government counterparts to improve the policy environment for SME and digital finance. In addition, AMEG piloted gender inclusive approaches to investing in SMEs, as well as innovative mechanisms to channel diaspora investments into development.

CHAMPIONING SECURED TRANSACTION REFORM IN THE MIDDLE EAST

From a global perspective, the MENA region is significantly behind in pursuing and initiating reforms to increase access to and availability of secured credit. While 35 percent of businesses in the region cite lack of access to finance as a constraint, only 25 percent of firms in the MENA region have a bank loan and collateral requirements typically average 200 percent of the value of the loan. Additionally, 35 percent of businesses in the MENA region identify lack of access to finance as a constraint. The

need for reforms to improve access to credit is glaring.

In March 2017, the USAID Middle East Bureau, in partnership with the U.S. Department of State and USAID's Office of Economic Growth, Education, and Environment, hosted a two-day workshop on secured transaction reform for 40 participants from Ministries of Justice, Finance and Central Banks in Morocco, Jordan, Tunisia, Iraq, Egypt and West Bank and Gaza. The purpose of the workshop was to build awareness of the positive impacts of secured transaction reform on a country's economy, elements of a modernized secured transaction system, and how to both pursue and operationalize reforms to improve access to credit and economic growth throughout the MENA region. The goal for the workshop was to have attendees walk away with a greater understanding of secured transaction reforms, feel proficient to make the case for reform in their home countries, and work to pursue reforms in the future.

The workshop featured top international experts in secured transaction reform including the chairman of the UNCITRAL Secretariat and senior advisors from the World Bank, USAID, and the National Law Center. The workshop emphasized the importance of not just pursuing reform, but operationalizing reform and how to ensure buy-in from the necessary key players to implement the modernized regulation. MENA country representatives networked with top leaders in secured transaction reform and sought advice on how to launch the reform process, how to push reforms forward, and how to improve upon existing secured transactions systems that are limiting access to finance for MSMEs. Attendees left the workshop with a clear understanding of the importance of secured transactions reforms and new motivation to start discussions and pursue reforms in their home countries.

BUILDING FOUNDATIONS FOR DIGITAL FINANCIAL SERVICES IN YEMEN

In 2013, Yemen boasted more than 8 million mobile phone subscribers, yet Yemeni banks held less than 1 million bank accounts. AMEG helped the government of Yemen to harness the potential of mobile and branchless banking services by providing legal expertise and support in drafting implementing guidelines for the Payment Systems and Electronic Financial and Banking Transactions Law to enable prudential, inclusive expansion of e-money services in Yemen. In April 2013, AMEG and USAID/Yemen hosted a two-day workshop for the Central Bank on best practices in regulating mobile and branchless banking. The workshop was conducted jointly with the World Bank's

Central bankers discuss best practices in mobile money regulations at an AMEG sponsored workshop in Yemen.

CHEMONICS / AMEG

Consultative Group to Assist the Poor, and organized in collaboration with the Social Fund for Development, an organization established with support from the Yemeni government to promote economic opportunities and reduce the vulnerabilities of the poor.

After the completion of the workshop, AMEG coordinated with the Alliance for Financial Inclusion to arrange and fund a study tour in 2014 for Central Bank representatives to visit central banks in Bangladesh and Peru to observe administration and supervision of branchless banking regulations first-hand.

Following the study tour, the Central Bank finalized a draft of the revised branchless banking regulations and issued the draft for public comment in Yemen. The regulations were officially issued through a Central Bank circular in 2015.

Technical assistance to the Central Bank of Yemen was suspended in 2014 due to the political situation, but in late 2016, AMEG resumed its work to support the expansion of digital financial services in Yemen. A cash crisis in the country was seriously threatening donor and humanitarian groups' abilities to get cash grants

for food and necessities to conflict-affected Yemenis. Via phone interviews and emails with Yemenis on the ground, AMEG advisors analyzed the current e-money market and the pre-conditions needed to facilitate the expansion of e-money products and services to facilitate the flow of salary payments and cash transfers to address the humanitarian crisis in Yemen. They found that thanks to USAID/Yemen's support for the issuance of the mobile money circular in 2015 through AMEG, the country had a strong regulatory framework in place to support the introduction and adoption of e-money services. One of Yemen's largest microfinance banks had launched a mobile e-money platform in 2016 and two more banks planned to start offering e-money services in 2017. And while the e-money infrastructure is still in a nascent state in Yemen, AMEG proposed steps that the Central Bank can take to ultimately enable e-money adoption and usage in the medium to long-term, including support to improve the policy and regulatory environment to enable more robust and extensive agent networks. AMEG also outlined potential options for USAID or other donors to support the expansion of e-money services for humanitarian payments, including remote training of bank staff and agents in e-money promotion and adoption.

SUPPORTING EARLY-STAGE INVESTMENTS IN THE MIDDLE EAST

USAID's Middle East and North Africa Investment Initiative (MENA II) is an innovative mechanism designed to set up regional investment managers that will provide matching investment capital, investment insurance, and other needed technical assistance support to a broad spectrum of qualified early stage businesses in the MENA region. Over its lifespan, AMEG has supported the MENA Investment Initiative in many ways. In preparation for the MENA II launch, AMEG conducted in-depth assessments of the investment landscapes and business environments for startups and SMEs in the West Bank and in Lebanon. AMEG gathered input from angel investors, venture capitalists, commercial banks, business incubators, business accelerators, entrepreneurs, government representatives, and others to assess the status and trajectory of the two countries' early stage and growth capital funding sources, the quality and impact of the institutions supporting business startups, and challenges and opportunities of the enabling environment. The assessments vetted the feasibility of using matching grants, investment insurance, and technical assistance as potential solutions to enhance new business startup and growth.

Following the launch of MENA II, AMEG developed a set of indicators for USAID to measure and track the progress of the investment managers and the impacts of funding on investee growth and job creation. AMEG also organized annual workshops in Dubai in 2016 and 2017 to bring together MENA II investment managers to discuss successes, challenges, and best practices in structuring deals with early stage businesses. The first day of each workshop allowed for internal dialogue among implementers and USAID, while the second day showcased major investors from around the region who shared best practices in risk management and deal flow, as well as innovative approaches to funding early stage enterprises in the region. MENA II investment managers have expressed their gratitude for being able to learn from one another, as well as from leaders in the field of investing.

To date, MENA II's partners have invested $12 million in 20 early-stage enterprises in Lebanon and Iraq, creating 222 new jobs.

PROMOTING INNOVATIVE INVESTING MODELS

More than 30 years of data collected globally show that four to eight percent of formal businesses create 70 to 100 percent of net new jobs. Known to economists as "gazelles," this small percentage of small and medium-sized businesses are those in which revenues grow 20 percent or more for four consecutive years or 30 percent per year for three consecutive years. But potential fast-growth SMEs, and SMEs in general, are not well served by either banks or equity investors. The average bank loan for an SME requires collateral of 150 to 200 percent of the amount of the loan and venture capital and private equity are so rare at smaller levels that they have no appreciable systemic value for the SME sector. For expansion-ready SMEs in MENA, there is virtually no widely available type of growth financing offered within the broad gap between bank financing and conventional private equity.

Revenue capital, a hybrid of banking and private equity, has the potential to fill this instrument gap for many fast-growth businesses. Revenue capital is a form of "risk capital" that dispenses with high collateral requirements imposed by banks and the "exit" dilemma intrinsic to private equity while participating in the growth of the SME investee. Revenue capital reduces the risk of the investor, rewards the entrepreneur whose hard work creates an expansion opportunity, and realigns the interests of the investor and the investee by focusing both parties intensely on increasing revenues as opposed to share value.

To share the potential of the revenue capital for financing high-growth SMEs, AMEG documented successful case studies of investors using the revenue capital model and developed a technical guide for those not familiar with this financing structure. The case studies and guides were shared through a USAID Microlinks webinar that featured Business Partners and the Tunisian American Enterprise Fund, two investment firms successfully utilizing the model to finance high-growth SMEs. AMEG also organized a one-day workshop on the revenue capital model in Dubai in May 2017. The workshop hosted investors from around the MENA region and introduced them to their peers successfully utilizing the model to finance high-growth SMEs. AMEG's technical guide to the Revenue Capital approach can be found on USAID's Development Experience Clearinghouse.

PILOTING GENDER LENS INVESTING IN ASIA

A nation's path to economic prosperity and social justice depends on the ability of women and men to access and use resources, and to contribute to the country's economic development. With SMEs hailed as the vehicle of growth in developing economies, it is especially important to empower women who are traditionally and historically untapped and underemployed human capital in many countries.

Gender lens investing is an innovative investment approach that integrates gender analysis with financial analysis to encourage improved gender-based outcomes from private investment. In partnership with USAID's Regional Development Mission for Asia, AMEG and partner Criterion Institute conducted field research to evaluate the state of the gender lens investing field in Asia and identify opportunities to help move this cutting-edge field forward in the region and beyond. In March 2015, AMEG facilitated gatherings of gender lens investing actors in Bangkok, Thailand, and Washington, D.C., hosting more than 100 impact investors, women's organizations, donors, finance experts, and implementing partners to initiate conversations between gender and finance experts about approaches to gender lens investing, data gaps and potential data sources, and frameworks for investing with a gender lens.

In 2016, AMEG partnered with the Mennonite Economic Development Association (MEDA) to develop a practical Gender Equality and Mainstreaming (GEM) methodology and gendered environmental, social, and governance (ESG) assessment tool. ESG is a tool used by investors to evaluate corporate behavior and to determine the future financial performance of companies. There is growing evidence that suggests that

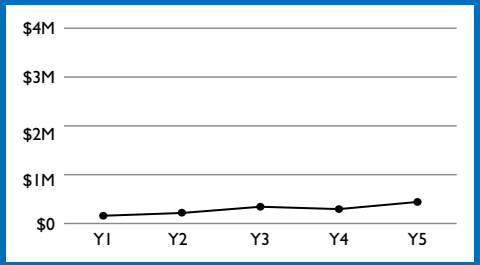
AMEG REVENUE CAPITAL

Alternative financing for fast-growth small and medium enterprises in the Middle East and North Africa

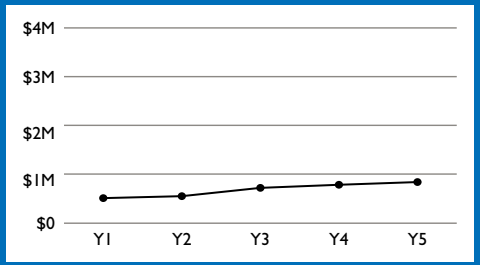
"MY BUSINESS IS GROWING FROM SMALL TO MEDIUM SIZE"

AHMAD, SME OWNER

Ahmad makes door and window frames for houses and small commercial buildings; mostly from aluminum and PVC.
Here are his door and window business sales and projections for the next 5 years:



SALES FIGURES FOR THE PAST 5 YEARS

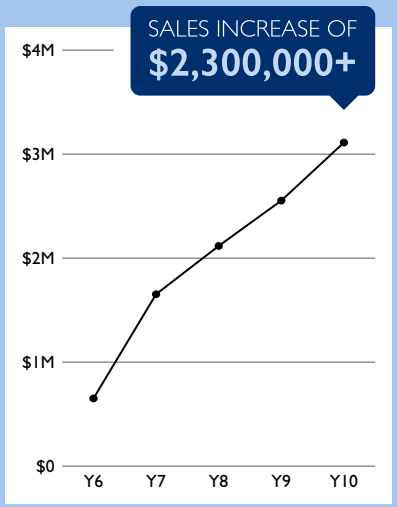


5 YEAR PROJECTION WITHOUT EXPANSION

THE OPPORTUNITY

Ahmad has an opportunity to make door and window frames for a new apartment development. This one contract would bring him more business than all of his current work combined; **but he needs $500,000 to be able to fulfill the contract and do more big jobs.**

If he can get the expansion financing, he could also create new jobs for his community.



5 YEAR PROJECTION WITH EXPANSION

OPTIONS

BANKS

Ahmad has been turned down by all of the banks because he doesn't have enough collateral to offer.

INSTRUMENT GAP
(in between banks and VCs)

VENTURE CAPTIALIST

He also went to the only venture capital fund he could find that makes investments under $2,000,000, and they told him that he wasn't big enough, that it wasn't a technology company, and that he would have to sell their business to be a good investment.

REVENUE CAPITAL

WHAT IS IT?

- A logical response to the "instrument gap"
- A hybrid of venture capital and bank lending
- Particularly appropriate for high growth SMEs
- A shift in the risk capital paradigm from share value growth to sales growth

WHY CHOOSE IT?

- Gives a loan with a low interest rate
- Investor and business have same focus on sales
- Lender doesn't need excessive collatoral
- Repay investor by paying them small percentage of sales
- Good for business that has identified a growth opportunity

HOW DOES IT WORK?

1. Meet-and-greet
2. Explain business
3. Business planning
4. Run numbers
5. Due diligence
6. Cost variables
7. Decision making
8. Documents issued
9. Technical Assistance
10. Exit after 5 years

ESG AREA OF FOCUS	EXAMPLE ESG INDICATOR	INCLUSIVE ESG INDICATORS PROMOTING WOMEN'S ECONOMIC EMPOWERMENT
ENVIRONMENT	Environmental practices that benefit local communities	Environmental practices that benefit female and male members of communities (e.g. women's concerns may be around drinking water and health issues, while men's might focus on agricultural production)
	Environmental policies and practices that benefit staff	Environmental policies and practices that benefit female and male staff (e.g. women may have different needs around maternity and breastfeeding)
SOCIAL	Internal training and promotion practices	Internal training and promotion practices geared to women as well as to men — women may be currently overlooked and under-represented
	Improved market access for small scale supplier	Improved market access for small-scale male and female suppliers, understanding the gendered nature of markets
	Better health and safety for employees	Better health and safety for female and male employees which may require different considerations
GOVERNANCE	Qualified and functional boards	Qualified, functional and gender balanced boards
	Employee committees	Employee committees inclusive of women and men
	Grievance procedures	Grievance procedures for issues such as sexual harassment and discrimination that are more likely to affect women

ESG factors, when integrated into investment analysis and portfolio construction, may offer investors potential long-term performance advantages. MEDA adapted the existing ESG framework already familiar to many funds to mainstream the inclusion of women across the entire framework. MEDA also developed a guidance document on how to develop gendered ESG performance indicators tailored to each SME's sector and operating environment. The table above compares examples of currently used ESG indicators versus inclusive/mainstreamed ESG indicators that will promote women's economic empowerment.

To test the GEM methodology and ESG, MEDA in partnership with Sarona Fund, carried out gendered ESG assessments of Sarona Fund investees in India and Indonesia and made recommendations to the SMEs for mainstreaming gender into their business policies and practices. MEDA then developed capacity building plans for a few of the SMEs and provided funding to support implementation of recommendations. AMEG and MEDA shared the impacts of these firms mainstreaming gender into their analysis at a workshop with USAID, other donors, practitioners, and fund managers in September 2017 in Washington, D.C.

ENGAGING DIASPORA TO INVEST IN THEIR HOME COUNTRY

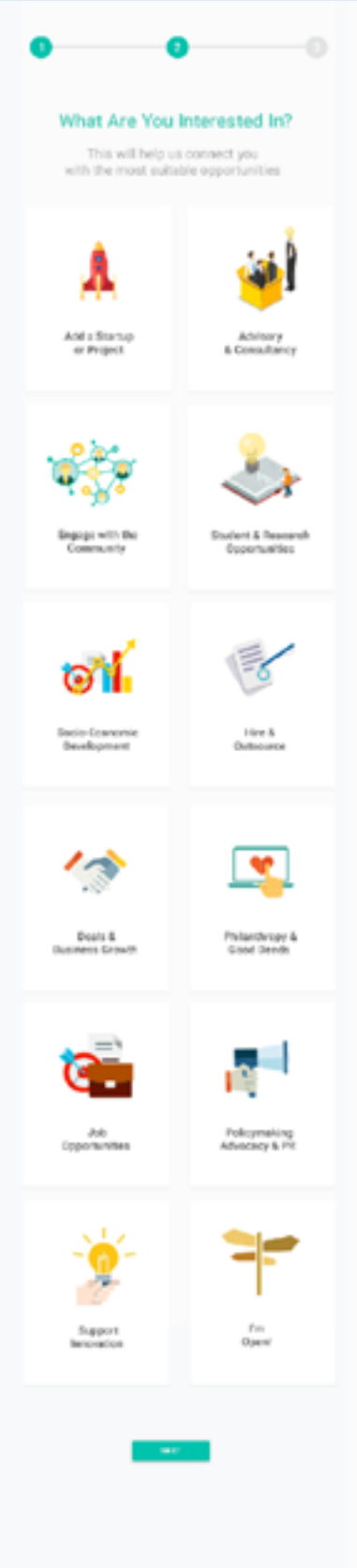
Through this assignment, USAID/Washington's Asia Bureau and USAID/India engaged AMEG to conduct market research to better understand the background and investment interests of Indian diaspora living in the United States, particularly high net worth individuals. The market research includes three primary methods of data collection: focus groups in four major U.S. cities, an online survey, and a limited number of one-on-one interviews with investment experts and Indian diaspora leaders. Using the research findings, AMEG conducted a demand analysis to help USAID determine the conditions under which Indian diaspora in the United States would invest in a fixed income security that finances Indian SMEs in sectors that generate a positive social impact.

Over a six-week period, AMEG engaged 142 members of the Indian diaspora through an online survey and four focus groups in San Francisco, Austin, Chicago, and New York. The demographic profile of these market research participants confirmed existing research: the U.S. Indian diaspora is highly educated, professionally successful, and made up of high-income earners. Although many members of the Indian diaspora are deeply skeptical of investing in India, AMEG's market research team found demand potential for a social impact oriented fixed-income security, if designed and implemented in a way that maximizes social impact and minimizes opportunities for corruption. In addition, AMEG developed a legal review of the Indian laws and securities regulations that would impact the creation of a fixed-income social impact investment fund.

Ultimately, AMEG's researched paved the way for USAID and the Calvert Foundation to create a new social impact investment vehicle, which President Obama announced in January 2015 on a visit to New Delhi, India. In its first year, Calvert's Indian Investment Initiative had already committed $16 million in loans to financial intermediaries that invest in SMEs with a social purpose in India.

Honey vendor in Yemen

CHEMONICS / AMEG



SNAPSHOT
Using Technology as a Tool to Spark Diaspora Investment

A public-private sector partnership is leveraging technology to help members of the Lebanese diaspora invest their time, talent, and treasure to support development in their home country.

As a former member of the Lebanese diaspora, Netways CEO and founder Roula Moussa saw the potential for Lebanese living abroad to spur development in her home country. Upon returning to Lebanon after living in the Gulf for many years, Roula began training and employing local youth in IT skills in her family's home village in the remote region of Akkar, where Netways now employs 60 people. After seeing Netways' success in employing Lebanese in one of the poorest regions of Lebanon, other Lebanese living abroad began contacting Roula to find highly-skilled Lebanese IT developers and managers. With support from USAID, Roula built a "Knowledge City" in Akkar to provide IT infrastructure and training to youth in the region and match them with opportunities in diaspora-owned companies. She also recognized that technology could help capitalize on the enormous potential of diaspora members to contribute to employment and economic growth in Lebanon.

A NEW TOOL TO CONNECT DIASPORA TO LEBANON

With the support of AMEG, in 2017 Roula created DiasporaID, a digital platform that connects diaspora communities and engages them through digital collaboration in development in their home countries. Much more than a social network, DiasporaID aims to strengthen (or rekindle) diaspora members' connection to their homeland, increasing their willingness to assume a pivotal role in its socio-economic development.

WHAT IS DIASPORAID?

DiasporaID leverages the strong bonds Lebanese diaspora members feel to their local communities and their desire to contribute to their home villages - years, and sometimes even generations, after they have migrated to other parts of the world. DiasporaID leverages Lebanese cultural affinities for working with their fellow country men and women, in the same city or halfway across the globe. By linking diaspora members with individuals, institutions, and enterprises in their home villages, as well as fellow diaspora living abroad and working in similar sectors, DiasporaID facilitates collaborative action between Lebanese residents and expats for mutual benefit of their businesses and communities.

Launched in August of 2017, the DiasporaID platform is currently being piloted with Lebanese communities and diaspora members. More than 800 diaspora members in the United States, Canada, the United Arab Emirates, France, Australia, Mexico, the Dominican Republic, and Sweden are currently registered on the site.

BY THE NUMBERS

PRIVATE SECTOR PARTNERS supporting AMEG workshops and pilots

18

Steps recommended to be removed in the process at Tunisia's largest port to **RELEASE IMPORTED GOODS**

55

Government officials trained on **BEST PRACTICES** for national single windows in South Asia

4

COUNTRY ASSESSMENTS completed to help governments comply with the WTO Trade Facilitation Agreement

95

Government officials from 12 MENA countries **TRAINED IN TRADE FACILITATION** best practices and risk management

81

MENA government officials participated in trade facilitation **BEST PRACTICE STUDY TOURS**

21

TRADE assessments, workshops, and pilots implemented in 14 countries

SECTION 5

TRADE FACILITATION

WTO TRADE FACILITATION ASSESSMENTS

After nearly 10 years of deliberations, World Trade Organization (WTO) members concluded negotiations on the Trade Facilitation Agreement (TFA) in December 2013. This landmark agreement acknowledges the need to tackle red tape, increase transparency, and address non-tariff barriers that impede trade across the globe. The WTO estimates that the TFA will boost developing countries' exports by approximately $730 billion per year and will help diversify their economies — in terms of both products exported and markets reached. The TFA recognizes, however, that implementation will not be easy and some developing countries will be unable to comply fully with the TFA by the time it enters into force and some may need donor assistance.

AMEG and partner Crown Agents conducted four in-depth assessments to help the governments of Cambodia, Morocco, Tunisia, and Yemen comply with the TFA. Through these assessments, AMEG helped host-country governments categorize the TFA's 12 articles into Category A, which indicates that the WTO member will comply with the provision when the TFA goes into force; Category B, which indicates that the country needs additional time to implement the provision; or Category C, which indicates the member requires both time and outside assistance. In addition, these assessments identified needed reforms and capacity improvements, timelines for implementation, and areas where donor

assistance is needed to bring the country into compliance with the TFA. The technical focus of the TFA spans many areas of trade facilitation, including risk management in border operations, authorized economic operator programs, national single windows, and access to trade information through online portals.

STREAMLINING CUSTOMS PROCEDURES IN TUNISIA

Building on recommendations from the WTO assessment in Tunisia, AMEG implemented a longer-term pilot program to support customs reform goals vital for the country's stability and economic growth. AMEG's Tax and Customs Reform activity supported the Tunisian Customs Administration to review and make recommendations on an advance rulings regulatory framework for tariff, classification valuation, and origins to support Tunisia's compliance with the TFA. To advance the Customs Directorate's progress toward the TFA requirements, AMEG provided guidance on multiple aspects of advance ruling development procedures, such as best practices in flowchart processes.

In 2015, AMEG assisted the Customs Directorate with business process mapping at Port Radès, Tunisia's largest and busiest port. AMEG developed graphic and narrative process descriptions, and validated them through in-person observations and discussions with key stakeholders. Through the mapping exercise, AMEG's customs expert observed what happens when a ship arrives at port and goods are released to Customs. AMEG found that the Customs Administration required 52 manual steps in its import process. For every manual step, a customs official needs to follow a procedure that requires their individual discretion, increasing risk for non-transparent proceedings and the potential for misevaluation of goods, slowdown in movement of products to market, and potential lost revenue to the importer and to the Customs Administration. AMEG recommended changes to the Customs Administration to reduce import process steps at Port Rades by 35 percent, eliminating 18 of the original 52 steps in the import process. Customs officials verbally approved a revised Port Radès procedures manual, incorporating AMEG's recommendations for continued efficiencies and reduction in process steps for the port's overall import and export procedures.

SPARKING PUBLIC-PRIVATE SECTOR DIALOGUE AROUND TRADE

Building on the initial results from AMEG's work with the Customs Administration on procedure reduction at Port Radès, Tunisia TradeNet (TTN), Tunisia's

Cargo ship awaiting release of goods at Port Radès, Tunisia

CHEMONICS / AMEG

quasi-governmental agency overseeing the implementation of an electronic trade platform and single window, requested AMEG's support to bring together a coalition of government and private sector counterparts to implement a more comprehensive diagnostic of external commerce procedures to simplify foreign trade processes. AMEG and TTN launched the diagnostic of foreign trade procedures in 2016 over a 10-week period, utilizing participatory methods to mobilize public and private sector stakeholders to identify critical trade barriers. To ensure the activity had support from both public and private sector actors, AMEG and TTN launched a first-of-its-kind public-private steering committee to examine the issue and oversee the implementation of the diagnostic.

Through interviews with more than 25 private sector stakeholders, including maritime freight forwarders and ship consignees, commercial banks, customs and government agents, and express mail couriers like UPS and FedEx, the diagnostic mapped processes, illuminated redundant processes and documents, and identified barriers causing excessive delays. AMEG consolidated the findings into a comprehensive map of external diagnostic procedures. The final report exposed some frustrations on the part of the private sector with the services provided by trade-oriented public institutions. Many of these frustrations related to operational delays, complexity of formalities for import/export, and unnecessary steps such as requiring importers and

TOWARD A CUSTOMS MUTUAL ASSISTANCE AGREEMENT WITH THE UNITED STATES

In 2017, TCP supported three senior Tunisian Customs officials to travel to Washington, D.C., for high-level negotiations for a Customs Mutual Assistance Agreement (CMAA) between U.S. Customs and Border Protection and the Tunisian Customs Administration.

The CMAA is a binding bilateral executive-level international agreement, negotiated and enforced by both respective Customs administrations. The U.S. has 76 CMAAs with partner countries across the world, and sought to achieve a cooperation agreement with Tunisia. The CMAA facilitates information sharing on Customs issues, such as shared training and mitigating offenses that impede trade facilitation. Areas of assistance from CBP can include training to prevent and detect money laundering and financial crimes, controlled substances, trafficking of antiquities, wildlife, and other controlled goods, threats to human health, agriculture, and threats of terrorism and other dangerous materials.

exporters to physically submit paperwork to government.

TTN recognized that the only way forward on these issues was to utilize its steering committee approach as a platform for private sector to voice their concerns and suggestions, and for the government to be on hand to listen and engage directly with the issues. TTN and AMEG convened a public-private dialogue to bring together these public and private stakeholders and identify concrete ways to move forward together on trade process improvement. The steering committee developed a detailed roadmap for implementing the recommendations in the initial diagnostic. The ongoing public-private dialogue forged with AMEG's support will help Tunisia in its effort to implement the TFA, ultimately positioning Tunisia to reduce the costs of foreign trade operations and improve the environment for foreign investment.

IMPROVING TUNISIAN CUSTOMS' APPROACH TO RISK MANAGEMENT

As part of its initial assistance to customs in Tunisia, and as prioritized by the director general of the Customs Administration, AMEG focused on improving customs' management of importer/exporter compliance in preparation for a transition to a more robust post-clearance audit regime (a posteriori control). The Tunisia Tax and Customs reform activity team supported the customs administration with robust training and preparation for implementing a systematic and credible risk management regime. AMEG worked closely with Customs' Risk Management Directorate to develop and propose a risk management framework for Tunisian Customs, including organizational policy directives, process models, standard terminology, and proposed risk management activities. In 2015, the Customs Administration adopted and disseminated a risk management policy consistent with best practices as proposed by AMEG. Customs also updated the organizational structure of its Risk Management Directorate to conform to the risk management framework requirements, while introducing model risk registers in its main operations, covering two Port Radès offices and customs intelligence. The Customs Administration also adopted a centralized customs intelligence gathering function linked to the centralized risk management committee.

AMEG also worked with Customs Administration staff to design a four-session complementary training course to support the implementation of the risk management framework across the agency. The training courses provided more than 80 Customs staff with the

opportunity to apply new risk management processes, more fully understand methods for risk identification, and to enhance practical skills around developing risk registers and risk management plans for their respective operational sections. TCP also supported several key Customs officials to travel to Washington, D.C., in 2017 for the final negotiation of a CMAA, which will further the Customs Administration's efforts to strengthen its risk management protocols (see text box on opposite page).

BUILDING CAPACITY IN TRADE FACILITATION IN THE MIDDLE EAST

Years after the tumultuous events of the Arab Spring, the political and economic circumstances are still fragile in many of the developing countries in the MENA region. Long-term political reform strategies in many countries will not be feasible without new economic opportunities. Aside from oil, for decades the MENA region has been responsible for roughly one percent of global trade, and non-fuel exports average approximately 20 percent of GDP for these countries — among the lowest in the world. The failure to open protected economic niches to wider markets has translated into anemic productivity growth, declining economic competitiveness, higher consumer prices and fewer choices, and a scarcity of economic opportunities for a young and growing labor force.

In collaboration with USAID's Office of Middle East Programs and the United States Trade Representative, AMEG worked to strengthen the U.S. government's knowledge base of constraints, opportunities, and ongoing initiatives related to trade and investment in the region, and partnered with local and international organizations to host regional events aimed at promoting high-level consensus on the intra-region and external trade. AMEG first drafted a report on "Barriers to Trade and Investment in the Middle East and North Africa" and supported the organization of a high-level workshop on non-tariff measures encountered by Arab States in Tunis in April 2014. The event was organized by the International Trade Centre and the Islamic Trade Finance Corporation and provided an important platform for the participants' countries to discuss current themes related to non-tariff measures, regional integration and the challenges they are confronted with, particularly against the backdrop of the financial crisis and the global meltdown within the context of the Arab Aid for Trade Initiative. In addition, AMEG worked with the Organization for Economic Co-operation and Development (OECD) to organize a regional meeting in Cairo in May 2014 to assess the relevance and feasibility of launching a working group on competitiveness for MENA in the framework of the MENA-OECD Investment Program.

AMEG's trade facilitation workshop series later rolled out a series of workshops on best practices in trade facilitation in Dubai, Bahrain, and Abu Dhabi in 2016 and 2017. The workshops hosted 95 Customs representatives from 12 countries across the region. Trainers from the U.S. Customs and Border Protection Agency provided advanced training for participants on topics like risk management, post-clearance audit, authorized economic operator programs, and national single windows. Study tours to ports and Customs offices in each country provided participants with the opportunity to see best practices in action.

SUPPORTING THE INDO-PACIFIC ECONOMIC CORRIDOR

Although trade and transit links between South and Southeast Asia have existed for centuries, modern trade between these two regions has been hindered due to poor infrastructure, regulatory barriers, and limited regional cooperation. Various regional agreements aimed at reducing tariff rates have tried and failed to achieve trade cooperation; indeed, South Asia is the least integrated regional bloc on the globe, with only 5.7 percent of exports from South Asian countries going to other countries in the region. These trade impediments hinder economic growth and poverty reduction efforts, particularly in South Asia.

With U.S. government support, the countries in South and Central Asia have made considerable progress encouraging the expansion of northward trade and infrastructure connectivity along historic trade routes into Pakistan, Afghanistan, and into Central Asia. The U.S. government believes that it is now the opportune time to increase regional connectivity within South Asia and between South and Southeast Asia. While trade among South Asian countries remains far below its potential, current political and economic conditions in the region have created a political window of opportunity to strengthen the economies and economic prosperity through enhanced economic integration and connectivity.

USAID and the U.S. Department of State, which funded this initiative, engaged AMEG in late 2014 as the lead implementing partner for the trade, investment, and private-sector engagement component of the Indo-Pacific Economic Corridor (IPEC). This two-year, $1.8 million activity spanned three phases with four primary objectives: 1) foster economic growth and regional trade in South Asia; 2) increase private sector competitiveness in the region by enhancing the business environment; 3) engage the private sector on economic issues, particularly regional trade, in South Asia and trade between South and Southeast Asia; and 4)

Trucks with goods waiting to be cleared at the Bangladesh-India Benapole-Petrapole border crossing.

CHEMONICS / AMEG

encourage stronger economic integration between South and Southeast Asia, engaging with regional institutions as appropriate.

The State Department, USAID, and AMEG worked closely on IPEC implementation, using a three-phased approach. Through Phases I and II, AMEG conducted coordination regional trade assessments that aimed to identify ongoing work by other donors and USAID agencies, review existing data and research to identify regional trends and non-tariff barriers (NTBs), and design and prioritize potential U.S. government activities that remove or alleviate barriers to intra-regional trade in South Asia and inter-regional trade between South and Southeast Asia. Through the IPEC Phase 1 and Phase 2 assessments, AMEG identified several key interventions for U.S. government assistance to support increased intra-regional trade in South Asia, as well as increased inter-regional trade between South and Southeast Asia. In Phase 3, AMEG implemented a series of technical assistance activities to address the priority NTBs identified over the course of the IPEC assessments. A comprehensive final report for this AMEG activity can be found USAID's Development Experience Clearinghouse.

HARMONIZING STANDARDS IN SOUTH ASIA

Throughout Phases I and II of IPEC, private sector leaders, government officials, and donors continuously pointed to conformity assessment challenges — including procedures, capacities, and technical regulations — as one of the most pressing barriers to South Asia's regional integration. AMEG's research indicates that one major problem is India's reluctance to accept certificates issued by an accredited conformity assessment body located in another SAARC member country. Yet, informant interviews conducted over the past two years tell two very different stories: from the perspective of Indian stakeholders, the government is not discriminating against importers, but rather trying to elevate standards and protect consumers, not unlike any other developed country. Conversely, traders have complained that India applies these standards inconsistently and use them to extract bribes and restrict market access.

To help tackle these conformity assessment challenges, AMEG worked with key private-sector partners, the Confederation of Indian Industry and BUILD Bangladesh, to organize a two-day training and dialogue workshop through which Bangladeshi traders could speak directly to Indian standards authorities to voice their concerns, while also learning about new developments in India's standards ecosystem, so that the traders have the knowledge needed to comply with Indian regulations. Afterwards, AMEG designed another activity in partnership with CUTS International that facilitated dialogue focused on a specific set of agricultural commodities — potato, green chili, tomato, and brinjal (aubergine).

PROMOTING NATIONAL SINGLE WINDOWS IN SOUTH ASIA

The lack of system integration within South Asian countries and across borders results in unnecessary delays and opportunities for corruption. The experience of the South Asia and the Association of Southeast Asian Nations (ASEAN) in promoting a unified single window, on the other hand, shows the potential for South Asian countries to adopt platforms that are more efficient, transparent, and predictable. In addition, the WTO TFA requires member countries to use e-solutions for sharing the rules and regulations governing cross-border trade. Notably, India, Bangladesh, and Sri Lanka are individually adopting national trade portals and the single-window platform.

To share the lessons of several ASEAN countries and promote dialogue among South Asian countries, AMEG held a National Trade Portal and Single-Window Best Practices

Forum in Colombo, Sri Lanka. The forum, the first activity under IPEC Phase 3, brought together representatives from USAID's ASEAN Connectivity through Trade and Investment program and USAID's Bangladesh Trade Facilitation Activity to present different perspectives on implementing trade projects in the region. AMEG hosted 55 trade officials from India, Bangladesh, Nepal, Bhutan, and Sri Lanka from customs agencies, government officials dealing with trade issues, private-sector organizations, and prominent trade-related think tanks. AMEG followed up this regional forum the following year with a workshop specifically for the government of Sri Lanka's Trade Facilitation Committee, which will be overseeing the design and implementation of a national single window in the coming years.

PILOTING EXPRESS SHIPMENTS IN SOUTH ASIA

E-commerce is growing rapidly in South Asia (a February 2016 Dhaka Tribune article cited growth rates above 30 percent annually) through portals such as eBay, Amazon, Flipkart, and many others. This phenomenon has greatly expanded market opportunities for SMEs in Bangladesh and India. However, its growth is hampered by the high cost of product delivery. Currently, costs for courier and postal shipments between the two countries are unnecessarily high because courier and regular mail packages are only allowed to flow via airports. They are not allowed to use cheaper land transportation through routes such as the Benapole/Petrapole border crossing, one of Asia's largest land ports. This policy not only limits regional economic integration, but also deprives the postal systems in both countries of new revenue sources to replace those lost to email and other technologies. The impact of such a policy change would be amplified by the expected implementation of the Bangladesh-Bhutan-India-Nepal Motor Vehicle Agreement, which will allow trucks of any one of these nations to travel and carry freight on the roads of any of the other three.

AMEG worked with private-sector partners including DHL, Amazon, and eBay to implement an activity with the primary objective of demonstrating the viability and positive impact of allowing express shipments through land ports between Bangladesh and India. AMEG conducted research and organized a cross-border India-Bangladesh task force to design and agree on a demonstration pilot. The pilot would allow customs-sealed trucks to run from Kolkata airport to Dhaka airport (and vice-versa) for licensed couriers in both countries to demonstrate a workable solution for lowering shipping costs and increasing revenues for both courier companies and postal systems. A blueprint

outlining the details of the proposed pilot can be found on USAID's Development Experience Clearinghouse.

SUPPORTING THE SOUTH ASIA BORDERLESS ALLIANCE

The AMEG team of trade economists, trade lawyers, and trade facilitation experts who led the IPEC Coordinated Regional Trade Assessments in Phases 1 and 2 recommended that the U.S. government consider supporting the creation of a "borderless alliance." This idea stems from a successful model used by USAID in West Africa. The borderless alliance would be a private-sector led, cross border initiative to identify regional priorities, generate data and information needed to design and advocate for reform, and mobilize advocates across the region to hold governments accountable for facilitating increased trade.

Although AMEG lacked the time to launch such an ambitious initiative, the IPEC team tested key hypotheses and design a model, which has been documented in a Borderless Alliance Blueprint. Rather than create another broad regional institution, AMEG recommends that the South Asia Borderless Alliance be a nimble, opportunistic mechanism for 1) identifying priorities that have a high probability of being changed and 2) mobilizing task forces that are focus in on concrete NTBs, develop time-bound plans for addressing those NTBs, and then implementing those plans until change is realized. Once success is achieved, task forces are disbanded. By creating task forces with an extremely specific focus (e.g., "import delays on express courier shipments from India to Bangladesh" not "SPS challenges between Bangladesh and India"), this approach encourages the program managers and South Asian counterparts to focus on specific problems and actionable solutions. If additional research is necessary, it is because specific information gaps are preventing progress of the reform efforts.

MAINSTREAMING GENDER IN TRADE

In March 2012, USAID rolled out its Gender Equality and Female Empowerment Policy, emphasizing that gender equality and female empowerment are not only core development objectives, they are also critical to effective and sustainable economic growth outcomes.

To this end, USAID tasked AMEG with producing a series of case studies and a guide to Integrating Gender into Trade Capacity-Building Programs in the Middle East and Asia. Designed to be a practical programming tool for USAID economic growth officers and practitioners, the guide provides recommendations and guidance on how to most effectively integrate gender

THE TRADE-GENDER NEXUS: A SUMMARY	
BENEFITS FOR WOMEN Increased trade results in more jobs and better connections to markets	Trade has increased formal job opportunities for women, resulting in greater autonomy gained through wage-paying jobs outside the home and investing wages earned to improve their families' health and education.
	Expanded international markets increase opportunities for development and growth of small/medium enterprises, including women-owned firms, which are increasingly engaged as suppliers by multi-national companies.
BENEFITS FOR TRADE Economically empowered women improve trade	In global terms, women have been found to be more significant as drivers of economic growth than China, India, or the internet.
	With increased incomes, women's influence over critical decisions regarding their work, family, and selves also increases. This can contribute to economic growth by improving nutrition, health, and education outcomes.
	Women-owned enterprises are increasingly seen as a source of new and better supplies, particularly in retail and consumer goods.
ON THE OTHER HAND Where gender gaps are already severe, trade may exacerbate those gaps and even diminish conditions for women	In developing countries, wage employment arising from international trade is mostly low-skilled, labor-intensive, underpaid, and low-value added, with most jobs filled by women, particularly in the garment, agriculture, and information technology sectors.
	Wage gaps tend to widen in environments where women's relative access to education is poor.
	Where exports are dominated by natural resources and agriculture, women have less access to jobs offering security and growth potential. Natural resource wealth often results in "Dutch disease," making industries where women play a greater role (such as textiles or retail goods) less profitable. In agriculture, women often provide unpaid labor to the farm.

considerations in future trade programming. To assist development professionals in identifying appropriate areas for interventions, this document gives an overview of the complex issues related to gender and trade, presented in five parts:

1. **Setting the Stage:** The nexus of gender and trade
2. **Testing Assumptions and Measuring Change:** The critical need for sex-disaggregated data and empirical evidence for program planning and measuring results
3. **Integrating Gender Equality "Behind the Border:"** Connecting women's enterprises to formality, finance, markets, and other avenues toward trade
4. **Integrating Gender Equality "At the Border:"** Strengthening conditions for women traders
5. **Integrating Gender Equality "Beyond the Border:"** Gender and trade policy

Each section highlights key concepts to be considered in program design, and provides examples drawn from pertinent research, individual case studies, and other sources.

BY THE NUMBERS

$3.5 Million

SAVED PER MONTH
in Kurdistan via new biometric payroll registration system

9

NEW TAX POLICY LAWS
adopted in Tunisia to address personal income tax, VAT, and excise taxes

$1 Billion

UNSECURED BOND
successfully marketed to attract new investment capital for reconstruction in Iraq

$650,000

In additional
REVENUES COLLECTED
in Tunisia through targeted non-filers pilot program

948

Tax administration
EMPLOYEES TRAINED
in risk management approaches in Tunisia

$540 Million

Estimated increase in
ELECTRIC TARIFF REVENUE
to be captured in Libya over five years due to electricity sector reform

1,100

Government employees and private sector individuals trained in more
TRANSPARENT PROCURMENT
practices in Iraq

11

MINISTRIES across three countries in the region are implementing improved public financial management practices

6

PUBLIC FINANCIAL MANAGMENT
Assessments and pilots implemented in 5 countries

SECTION 6

PUBLIC FINANCIAL MANAGEMENT

At the heart of effective governance and macroeconomic stability is a well-functioning public finance management system operating in well-integrated coordination among public sector institutions at the national level and between the national and the sub-national levels, all within the context of an inclusive public policy process. AMEG worked directly with governments throughout the Middle East and Asia to test and implement improved public financial management systems and procedures, including reforming tax policy and administration, budgeting processes, and procurement and payroll systems. AMEG focused largely on empowering and building the capacity of national and sub-national governments to design and implement reforms themselves. Below are several examples of AMEG's work in public financial management.

FORMULATING IMPROVED TAX POLICY IN TUNISIA

In 2014, Tunisia held its first free and democratic elections, completing a transition of nearly four years. Tunisia's newly formed government faced high economic and social expectations and a deteriorating socioeconomic situation. High tax rates, base complexity, excessive administrative burden, and low levels of "tax certainty" — along with a special regime of tax incentives that favored a privileged few large companies — made Tunisia a difficult environment for foreign direct investment. With total fiscal revenues of about 22 percent, a fiscal deficit of about seven percent of GDP in 2013, and economic growth stagnant over preceding years, reform of the tax policy framework was a priority both to improve revenues and to drive renewed investment and job-creating growth.

SUMMARY OF TAX REFORMS ENACTED IN TUNISIA

LAWS COVERING	DETAIL OF LAW'S COVERAGE
PERSONAL INCOME TAX	The 2017 Budget Law included a new personal income tax bracket with a maximum ceiling for "professional fees" of 2,000 dinars (10 percent of salary), a reduction of the number of personal income tax rates from six to give, broadening of the brackets and the expansion of the 0 percent rate bracket from 1,500 to 5,000 dinars. Resultant reduction in the effective tax rate from 15.7 to 14.8 percent.
CUSTOMS DUTIES	Reduction of Customs duties to two rates: 0 percent (primary products — e.g., equipment, raw materials, semi-finished products, and spare parts) and 20 percent (consumption products — e.g., household appliances, cleaning products, food, furniture, and electronics)
REDUCTION IN NUMBER OF VAT RATES	Law passed in 2016 limiting usage of temporary decrees on value-added tax reductions In 2017, partial transition of the number of rates from three (6, 12, and 18 percent) to two (6 and 18 percent). Partial elimination of the 12 percent value-added tax rate and introduction of an 18 percent rate.
VAT ON EXEMPTED PRODUCTS	Law imposes 6 percent value-added tax on previously exempted products, such as sugar and sporting equipment.
EXCISE TAXES	Elimination of excise taxes on more than 32 products, and reduction of multi-rate excises on alcohol to two rates
VAT ON MEDICATION	Law imposes a 6 percent value-added tax rate on medications (wholesale and retail)
VAT ON WITHHOLDING TAX	Law reducing the withholding tax for transactions between the private and public sectors from 50 to 25 percent to reduce outstanding value-added tax credit to the national treasury.

**Policy laws approved by the Assembly of the People's Representatives and included in the 2016 and 2017 Budget Laws.*

As part of its Tax and Customs Reform Pilot (TCP), AMEG set out to strengthen the capacity of Tunisia's Ministry of Finance to develop and manage appropriate and equitable tax policies. As a first step, AMEG helped Tunisia's Ministry of Finance craft and build consensus around a strategic vision for tax reform. This plan provided an economic foundation for the proposed tax reform agenda and encouraged a consensus-building approach to implementation.

AMEG also incorporated high quality fiscal analysis into tax policy reform decision-making by working with the Ministry of Finance to establish a fiscal analysis unit. The new unit provides policy analysis, revenue estimates, and analysis of revenue developments. For example, when the Tax Directorate prioritized a revenue-neutral reform package to address deficiencies in multiple areas of the tax code, the new unit within the ministry generated microsimulation models to demonstrate the revenue impact of those policy scenarios.

In addition, AMEG supported the Tax Directorate to strengthen transparency and clarity of the tax code and to improve compliance

in the personal income tax, corporate income tax, value-added tax, and SME tax. Across these cumulative successes, AMEG encouraged champions from within the ministry to take the lead on reform efforts, and ensured program experts worked alongside Tunisian specialists to transfer knowledge and capacity. AMEG's efforts contributed directly to supporting the ministry's commitments to greater budget neutrality within a framework of increased equality and fairness in the tax system. Of the laws the Ministry of Finance proposed based on the FAU's analysis, six were approved by the assembly and included in the 2016 Budget Law. An additional three proposed laws were approved and inserted into the 2017 Budget Law, including further application and reduction of value-added tax rates and multiple reforms to the personal income tax structure.

INSTITUTIONALIZING RISK MANAGEMENT TO INCREASE REVENUES

To support greater voluntary compliance and increase revenues, Tunisia's tax administration asked AMEG to provide recommendations on how to remove structural barriers and improve procedures to increase tax revenue and better serve taxpayers. Through a participatory approach that incorporated regular consultation, AMEG and Tunisia's tax administration implemented initiatives aimed at reorganizing procedures around risk management principles, building the capacity of its workforce to utilize risk management principles in their everyday work, and helping pilot specific programs aimed at improving revenue collection.

AMEG first worked with the tax administration to create a tax compliance improvement plan, a framework for reform priorities for improving tax administration. The plan prioritized the need for a risk management unit to oversee the implementation of risk-based decision-making for tax administration operations. Since its inception, the risk management unit has been instrumental in the development of the automated audit criteria selection system. The system has provided the tax administration with a mechanism to transparently and consistently select cases for audit, thereby significantly reducing backload of cases in the central and regional offices to review for signs of fraud. The risk management unit also spearheaded a non-filers initiative, which piloted a polite letter to approximately 6,000 high-risk non-filers reminding them to file their tax returns. This simple measure resulted in a 41 percent response rate and collections of TND 1.6 million ($650,000) in overdue tax revenue in just 10 weeks.

The tax compliance improvement plan also helped institutionalize a risk-based approach to reform and to build

Members of Tunisia's newly created Fiscal Analysis Unit

CHEMONICS / AMEG

capacity for sustaining reforms and overall tax administration procedures. AMEG worked with the tax administration unit to design and roll out a risk management training program to 948 tax administration employees across 189 regional and local tax administration offices. The training programs focused on understanding the importance of risk management, how to identify risk, developing risk treatment strategies, and the process for evaluating, prioritizing, and addressing risks.

USING MOBILE PHONES TO IMPROVE TAXPAYER SERVICES IN TUNISIA

Accessing and understanding tax information is a long and difficult process for Tunisian taxpayers. Tax information was typically out of date and only available in tax offices. Individual taxpayers had to go to their local tax offices and wait in long lines to ask questions or have an agent address their issues. Recognizing that if taxpayers find it difficult to access information about how to calculate or pay their tax responsibilities, their likelihood of voluntarily complying with tax requirements is significantly dampened, Tunisia's tax administration made improving taxpayer services a priority in its tax compliance improvement plan. This included improving design of tax forms, removing redundant procedures, and emphasizing early intervention to prevent error.

AMEG helped Tunisia's tax administration to engage tax payers as part of an ongoing public outreach strategy focusing on education and transparency to broaden the tax base. With AMEG's support, the tax administration

developed and deployed its own, separate website and Facebook page, independent of the Ministry of Finance, providing better and more direct access to information than was previously available. AMEG also supporting the tax administration to develop a strategic communication program on tax compliance awareness, and to roll out the program through participation at economic fairs, trade shows, civil society events organized by tax-focused organizations, and within the school system. The roadshows were paired with the tax administration's use of mass media outlets to encourage greater registration by all segments of the taxpayer population, and reinforced through its website and social media channels.

In addition, AMEG and the tax administration partnered with a local IT firm to create TUNIMPOT, a free tax calculator application for mobile phones. The app allows taxpayers to immediately assess their potential tax liability through a few taps on their phones. The app provides immediate and real-time information for anyone interested in estimating their taxes or wishing to run scenarios based on different income levels. This tool simplifies the process of calculating personal taxes by instantaneously addressing taxpayers' most frequently asked questions. The app incorporates the most common tax scenarios and rates for individual income earners, its intended audience.

AMEG supported Tunisia's tax administration to market the app on social and traditional media channels. Within just its first week of release, the tax administration logged more than 300 downloads of the app, and had close to 7,000 within two months, far exceeding their original target of 5,000 downloads by the end of 2017.

FOSTERING TRANSPARENT PROCUREMENT PROCESSES IN IRAQ

Iraq continues to be impacted by the ongoing conflict with the Islamic State in Iraq and Syria and the precipitous fall in oil prices during 2015 and 2016. The double shock of conflict and oil prices has drastically downsized much of Iraq's economic output, and deteriorated living conditions. To address urgent needs to procure goods and services to address humanitarian, security, and reconstruction needs, AMEG supported the Ministry of Planning's Office of Government Contracts to roll out more streamlined and transparent procurement systems and procedures.

In the past, the transparency and efficiency of government procurement in Iraq has been hindered by reliance on disorganized, paper-based systems and antiquated processes.

To build government of Iraq capacity in sound procurement practices aligned with international standards, AMEG embedded a team in the Ministry of Planning to provide on-the-job training to the procurement help desk to respond to government and private sector requests for information on procurement regulations and standard bidding procedures. AMEG also built the capacity of the ministry's procurement help desk staff to train other government agencies at the federal and provincial levels to implement reforms designed to streamline procurement processes and make them more transparent. Specifically, together with ministry trainers, AMEG trained 1107 government employees from numerous ministries and provincial governments — including the Ministry of Oil, Ministry of Youth, Ministry of Electricity, the Integrity Council, and the Secretary General of the Council of Ministers — in the correct use of new standard bidding documents for the procurement of goods and services. By streamlining and standardizing the procurement process across all government agencies, the standard bidding documents are designed to support more efficient and transparent procurement processes, creating an environment conducive to fair and open competition in the tendering and awarding of contracts. AMEG has also helped the MOP to organize events to familiarize private sector firms and associations with the standard bidding documents, building private sector confidence in government bidding processes.

In addition, AMEG also supported the Ministry of Planning Office of Government Contracts to issue an official order to all Iraqi contractual entities on the process for announcing tenders on the new Tenders Worldwide dgMarket. This website is designed to reach domestic and international companies interested in working in Iraq in the hopes of increasing competition and bringing international experience to Iraq. The dgMarket site is also designed to foster greater transparency in bidding processes and even the playing field for both Iraqi and international bidders.

MODERNIZING PAYROLL REGISTRATION IN KURDISTAN

At the start of 2016, the Kurdistan regional government in Iraq was facing a cash crunch, in part due to the large number of government employees on the payroll. The government's systems allowed employees and pensioners to register in multiple towns for multiple salaries and benefits. As a result, the government had no way of knowing how many people were actually on its payroll, making accurate estimates of salary expenditures nearly impossible. To identify actual employees on the payroll and eliminate duplicate records and payments, AMEG

worked with the government to introduce a new employee registration and electronic payment system to modernize distribution of wages and benefits.

AMEG devised a phased roll out for the new payroll system, including designing and introducing streamlined registration and validation processes for individual employees, pensioners, and others on the government payroll. As part of the first phase, AMEG designed data quality requirements for the registration process, including providing guidance on software application design, risk mitigation, and failure point analysis. AMEG then worked with the government's council of ministers' IT and software development team to incorporate biometrics into improved systems and processes for securing and validating individual data for each person in receipt of Government funds. The new registration application, designed with AMEG support, captures a copy of the employee's identification card, an iris scan, and fingerprints using point and click graphics. It takes just two to three minutes per individual to capture the required information.

Prime Minister Nechirvan Barzani and Deputy Prime Minister Qubad Talabani were the first government employees to have their electronic cards and biometric data registered at an inaugural event for the new system in October 2016. Full-scale rollout with video training materials and biometric units distributed across all governorates followed. In total, nearly 1.2 million people were registered in the new system.

As part of the second "validation" phase, AMEG supported auditing offices in the government to design and implement systems and processes to verify records among the 1.2 million registered and cease salaries for those who did not validate enrollment in person (likely "ghost employees"). The government removed 5,000 individuals from the payroll through this process, resulting in estimated payroll savings of more than $3.5 million per month.

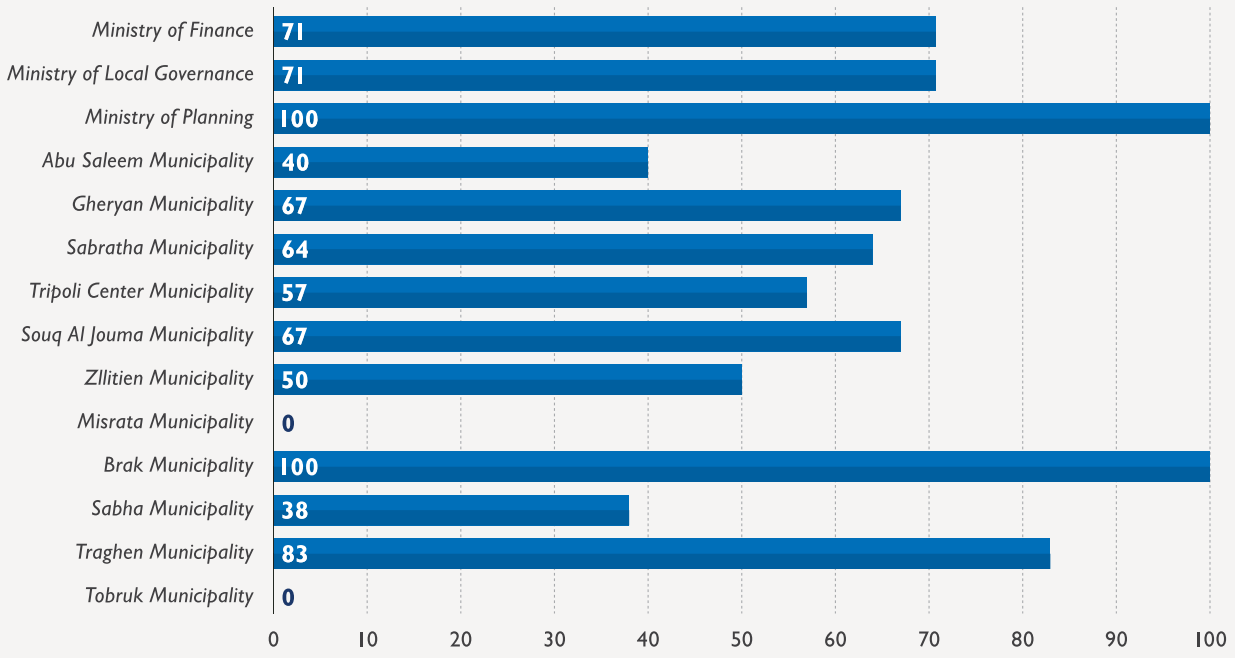
INCREASING MUNICIPAL FINANCIAL MANAGEMENT CAPACITY IN LIBYA

Despite Libya's promising success in its post-Arab Spring elections, political divisions at the national and local levels have degraded state authority and mired the country in conflict. In early 2014, just before Libya descended once again into internal conflict, AMEG conducted an in-country assessment of Libya's public financial management (PFM) system, identified challenges and opportunities for improvement, and provided practical recommendations for assistance in areas such as procurement, treasury services, budget formulation, and budget execution. In addition, AMEG

looked at PFM and procurement capacity at the sub-national level and reviewed policies and laws relevant to fiscal decentralization. Finally, AMEG proposed recommendations for technical assistance, capacity building, and discrete, targeted interventions at both the national and sub-national levels.

Following a two-year suspension in activities due to the conflict, AMEG returned in early 2016 to implement some of the recommendations laid out in its initial assessment. As forces aligned with the three competing governments and dozens of militias continued to clash, Libya's civilian population struggled for access to basic services such as healthcare, fuel, and electricity. Recognizing that in many parts of the country, local authorities were filling the governance and services void, AMEG initially focused on working with local governments to identify new potential legal streams of revenue to support the provision of basic services such as water and garbage removal. AMEG reviewed Libya's Local Government Law and developed a guide for

PFM ACTION PLAN COMPLETION RATE
Amongst Government of Libya Entities in August 2017



mayors on municipal revenue generation. The guide was shared with municipal leaders from 12 of Libya's largest municipalities at a workshop in Istanbul on best practices and models for municipal revenue generation.

AMEG followed the revenue generation workshop and guide with a workshop for mayors on municipal budgeting in Tunis in the summer of 2016. Leveraging experiences and expertise of international and local partners (namely the World Bank, the Libya Transparency Association, the International Republican Institute, and the American Bar Association Rule of Law Initiative), AMEG successfully brought together key ministries (finance, planning, and local government), Libyan mayors, municipal council members, other government officials, and Libyan experts to introduce basic concepts in municipal budget planning and preparation and to build relationships and foster dialogue among the Libyan participants. The workshop challenged municipal leaders to identify their priorities for improving budget planning and preparation to take back to their municipalities.

Later that year, AMEG and partners Pragma and Crown Agents, launched a comprehensive PFM training of trainers program to build a cadre of PFM experts within Ministries and local governments in Libya. AMEG coordinated closely with the World Bank to develop and deliver content on budget policy, planning, and formulation; managing budget execution; accounting, reporting, and auditing; government revenues; and municipal PFM processes, among other topics. The training course delivered PFM best practices, approaches, and tools in digestible modules with in-depth scenario exercises designed to ensure participants analyzed and apply the information presented. The training of trainers instructed 44 PFM trainers who, in turn, trained 414 more government staff in Libya in critical public financial management competencies.

In the fall of 2016, AMEG and partners Pragma and Crown Agents engaged stakeholders from three ministries and 11 municipalities (see graph on page 56) in a comprehensive PFM capacity building program. Each of the stakeholders assessed existing PFM practices within their respective entities, identified gaps between best and current practices, and developed action plans for improvements. AMEG-trained local capacity experts analyzed the baseline self-assessment data to develop evidence-based action plans with each of the participating ministries and municipalities. They helped each government unit identify three to five of the most important financial practices to improve over a period of approximately six months with AMEG support. AMEG advisors and trainers conducted

follow-up training courses and workshops at the ministry and municipal levels to monitor the implementation of the action plans. To date, nine of the 11 municipalities, and all three ministries have made progress toward their action plans.

IMPROVING LIBYANS' ACCESS TO ELECTRICITY

For the past year, Libyans have been plagued by blackouts due to conflict and fuel shortages. Economic reconstruction of Libya depends on the continuing provision of reliable and safe basic services, including electricity, water, and telecommunications. To support more reliable provision of electricity to power homes and businesses, AMEG began working with the General Electric Company of Libya (GECOL) to develop a strategic road map to transform and ensure the sustainability of the electricity sector.

Electricity is currently provided by state-owned enterprise, GECOL, which operates but does not own the electricity sector assets. GECOL is heavily subsidized by the government, and unlike comparable country electricity sectors — which cover their cost and can either make an acceptable surplus for the national treasury or reinvest in new projects and technologies for growth and development — is completely unsustainable in the absence of central government support. First, AMEG conducted a rapid assessment of the electricity sector to detail the causes for shortages and difficulties with the electricity operating grid as well as to identify short-term actions to alleviate the electricity crisis. AMEG then worked with GECOL to develop a roadmap for electricity sector reform. The aim of the roadmap is to present options for a restructured electricity sector that is self-sustainable and financially independent and contributes long-lasting benefits, including security, economic growth, job creation, a more globally-competitive economy, and greater prosperity for Libyans in the decades to come.

In preparing the roadmap, AMEG hosted a series of dialogues and workshops with present and past government officials, electric utility executives, international donors, financial institutions, municipalities, businesses, and individual customers to identify the most promising pathways to meet the goal of solving the electricity crisis in Libya. As a result, the roadmap identifies actions for a broad range of stakeholders, including the government of Libya, GECOL, local municipalities, and customers, all of whom must work together to achieve the national objective of solving Libya's current electricity crisis.

The roadmap includes an action plan that describes the key activities, their estimated duration, sequence, and costs required for the sector to

STEPS IN LIBYA'S ROADMAP TO ELECTRICITY SECTOR REFORM

- Clarification and adoption of new electricity policies and strategies
- Enactment of electricity legislation
- Establishment of independent regulation
- Introduction of independent power producers to the generation market
- Unbundling and corporatization of vertically integrated state-owned utilities into their competitive (generation, distribution, and retail supply) and monopoly (distribution, transmission and system operation) functions and the commercialization of these functions
- Establishment of a single buyer that buys all production and sells electricity to distribution companies for delivery to end users
- Privatization of certain unbundled assets, such as the non-core companies and the distribution and generation companies

make significant progress toward becoming a sustainable source of reliable electricity generation, transmission, and distribution, and positions the sector to become a more effective contributor to Libya's short and long-term economic future. The roadmap also proposes a Libya Electric Sector Reform Law intended to restructure the electricity sector by corporatizing and unbundling the sector assets into multiple generation and distribution companies and a single transmission company. The new law would create the legal and regulatory framework for operations in the electricity sector by establishing the electricity market as a "single buyer." This system would facilitate the introduction of private capital needed to refurbish, upgrade, and expand the electricity infrastructure. The sector will be overseen by a new entity called the Regulatory Authority, which would be given the power to approve sector company proposed tariffs for licensed services, such as transmission and distribution, and the price at which electricity is purchased and sold by the single buyer and distribution companies, as well as the price at which electricity is sold to consumers.

In addition, AMEG developed analytical and economic models to improve revenue collection efforts by GECOL. The purpose of these models is to analyze scenarios aimed at reducing government subsidies by increasing non-residential electric tariff/revenue collection. AMEG also worked with GECOL to develop high-level technical specifications for accounts receivable software to improve the revenue collection.

OPENING UP FINANCING FOR CONFLICT-AFFECTED COUNTRIES

Conflict and political crises, coupled with drops in oil prices in recent years, have put Iraq and Libya in precarious financial positions. These countries need financing to stabilize and reconstruct their economies. In 2015, AMEG prepared a guidebook for developing a domestic debt market in Iraq for the Central Bank and Ministry of Finance. The guidebook outlined guidance for developing a bond market, issuing domestic debt, and developing the investor base. Later, AMEG worked with the Ministry of Finance and Central Bank to develop the prospectus for a $1 billion unsecured bond that was successfully marketed to international investors in 2017. This bond, coupled with a separate $1 billion bond guaranteed by the U.S. government, should open financing sources for the reconstruction of the country moving forward.

In early 2017, AMEG engaged a short-term sovereign wealth fund expert to work closely with the newly appointed CEO of the Libya Investment Authority to review its current assets and corporate governance and accountability

framework, as well provide recommendations for improving corporate governance and accountability standards in line with the Santiago principles. The Libya Investment Authority is the government's sovereign wealth management entity overseeing a portfolio of liquid assets valued at around $67 billion. The advisor helped the Libya Investment Authority recognize the need for improved governance rules, accounting, and oversight requirements to position it as an effective budget stabilization mechanism for Libya and to enable it to operate effectively as a future generation wealth fund for the nation.

FOSTERING GREATER TRANSPARENCY IN SRI LANKA

The current vision for the Sri Lankan Ministry of Finance and Planning is "to create a sound public finance regulatory framework to improve transparency, accountability, and service delivery in the public sector." As such, the goal of the new government has been to design and develop PFM procedures and systems to strengthen economic governance, support transparent processes, and improve accountability.

To support Sri Lanka's objectives, in 2015 AMEG conducted a rapid two-week assessment of the current state of the country's PFM systems, processes, and procedures. AMEG identified priority technical intervention areas needed by the ministry that had the potential to improve the effectiveness, efficiency, and transparency of PFM in the short to medium term. Key issues and recommended areas of donor intervention highlighted by AMEG included:

1. Promoting an enabling regulatory framework for procurement and auditing

2. Developing the parliament's capacity to oversee PFM and efficient budget planning and execution matters

3. Assisting in raising awareness about the procurement process to stakeholders, including government of Sri Lanka officials, civil society, and media

4. Supporting the government in enhancing the quality, timeliness, and access of budget and procurement information to the public, while training the media and civil society to analyze and report on the information.

AMEG's recommendations informed the design of a multiyear program that is currently being implemented to support President Sirisena's reform agenda, specifically in the areas of audit and oversight, public procurement, and public-private partnerships.

Women sorting olives in Morocco

CHEMONICS / AMEG

BY THE NUMBERS

8,050

HECTARES OF FARMLAND
irrigated in Syria to support livelihoods during the conflict

268,500

PEOPLE BENEFITTED
from access to water for drinking and irrigation in Syria

4,834

HOUSEHOLDS BENEFITTING
from livelihood improvement activities in Sri Lanka

30%

AVERAGE INCREASE
in household income for farmers participating in AMEG activities in Sri Lanka

2,250

Farmers in Sri Lanka trained in **SAFE PESTICIDE USE**

2,200

Farmers in Sri Lanka trained in **IMPROVED NUTRITION**

100

WOMEN TRAINED
and placed in jobs in Yemen during the conflict

10

AGRICULTURAL LIVELIHOODS AND VULNERABLE POPULATIONS
Assessments and pilots implemented in 10 countries

SECTION 7

AGRICULTURAL LIVELIHOODS AND VULNERABLE POPULATIONS

Climate change and conflict are increasingly impacting rural populations in Asia and the Middle East, displacing large numbers of civilians and disrupting livelihoods. Rebuilding agriculture is an important strategy for post-conflict reconstruction as internally displaced people return home to their villages. Agriculture can also support demobilized combatants, improve food security, and enhance livelihoods post-conflict. Below are several examples of AMEG activities in post-conflict and post-disaster contexts designed to support and reintegrate internally displaced people and reinvigorate local economies.

REVIVING AGRICULTURAL LIVELIHOODS IN SRI LANKA

Three years after the end of Sri Lanka's 30-year civil war, families in the conflict-affected areas of the northern and eastern provinces were still rebuilding their lives and communities. Thousands of lives were lost in the conflict, and entire communities were displaced from their land, homes, and belongings. Many households in these areas were previously farmers, but were displaced during the war or had few opportunities to scale their livelihoods sustainably to lift their families from poverty.

In 2013, USAID/Sri Lanka engaged AMEG to identify opportunities and constraints to the livelihoods of vulnerable populations in the north and select districts in the east and inform future activities to transition USAID development assistance to targeted, sustainable livelihoods development. After significant analysis and consultations with the government of Sri Lanka, the private sector, potential implementing partners and beneficiaries, AMEG concluded that the dairy, poultry, and horticulture sectors offered the most viable opportunities to strengthen the livelihoods of vulnerable populations, putting them on a path toward a more economically sustainable future. Following this work, USAID/Sri Lanka requested that AMEG pursue additional assessments of these prioritized sectors of interest to inform future pilot activities to support livelihoods development. USAID engaged a team through AMEG to conduct detailed assessments of the dairy, poultry, and horticulture sectors intended to inform illustrative interventions as part of a livelihoods development activity.

Is 2014, AMEG began a three-year, $10.5 million pilot activity to test these interventions designed to strengthen the livelihoods of vulnerable populations in selected areas of Sri Lanka. The Supporting Opportunities in Livelihoods Development (SOLID) activity under AMEG aimed to complement the government of Sri Lanka's livelihood development and economic growth promotion efforts, with a focus on creating economic opportunities for women, youth, and vulnerable populations.

AMEG strengthened the capacity of beneficiaries to participate in and contribute to economically competitive value chains, generating sustained increases in financial, physical, social, and human capital for participating households. AMEG also strengthened linkages between beneficiaries and market actors (i.e., buyers) by building the capacity of these households to shift from subsistence agriculture to small-scale commercial poultry, dairy, and horticulture production, and by engaging the private sector to link smallholder production to market demand.

The SOLID dairy development model was a prime example of the activity's ability to transfer skills to farmers in vulnerable areas and link them to increased market opportunities. Local dairy production currently meets just 30 percent of demand for fresh milk in Sri Lanka, and demand continues to grow at a rate of 13 percent per year. AMEG's SOLID activity trained nearly 2,200 milk producers across 15 districts to improve milk production by growing and feeding fodder sorghum, improving cattle feed rations

Dairy farmer in Sri Lanka

CHEMONICS / AMEG

through the addition of low-cost protein supplements such as azolla, and making silage. In addition to boosting quantity and fat content of milk, these practices help build resiliency of dairy farmers during times of drought when grass for grazing becomes scarce. Farmers participating in the SOLID dairy development model saw milk production increase by 30 percent on average.

AMEG teamed with Nestle, CIC, and Milco to promote the SOLID dairy development program to their farmers. In addition, AMEG organized village dairy "clusters" and constructed nine milk collection and chilling centers that allow farmers in the clusters to cool and store evening milk for morning delivery to the client milk company. Private sector milk buyers Nestle, CIC, and Milco have signed on to provide repair and maintenance of the chiller center facilities and upgrades to chilling equipment as milk production increases. These private sector partners are also investing in new chilling centers. Dairy farmers participating in the program are already seeing average increases in income of 35 percent. AMEG's work in the sector also indicates that longer-term, sustained

involvement with Sri Lanka's milk producers can lead to a productive, profitable dairy industry which will reduce the nation's reliance on imports of milk powder and other dairy products.

AMEG's SOLID activity also saw success in training smallholders in select regions in Broiler Poultry Production and Management for meat production. During its first phase, 80 farmers from Sri Lanka's Batticaloa District completed a five-module training course, built a 100-bird capacity broiler coop designed by SOLID, and successfully passed a final examination. Following the completion of the training program, SOLID supported the Batticaloa farmers in organizing and formally registering themselves as a limited liability company. The company helps to provide members with discounts on bulk purchase of inputs, facilitates transport and logistics of inputs, and supports farmers with marketing and sale of broiler meat. On average farmers who have purchased inputs through the company have saved more than 50 cents per bird. AMEG subsequently rolled out the broiler management training program to two additional districts (Trincomalee and Ampara) selected for their strong local market demand for live broiler meat and the concentration of small farmers interested in learning and improving their skills in broiler management. In total, AMEG worked with 248 poultry farmer beneficiaries who saw their household incomes increase by an average 20 percent as a result of the program.

CREATING WIN-WIN OPPORTUNITIES FOR FARMERS AND LOCAL BUSINESSES

Over the course of its three-year lifespan, AMEG's SOLID activity supported 20 horticultural activities, including onions, mushrooms, gherkins, and chilis. The project assisted more than 2,500 crop farmers from 10 districts through training, technical assistance, and the introduction of labor-saving or resource-conserving new technologies. SOLID crop farmers saw an average monthly household and horticulture income increase of approximately 32 percent.

But AMEG also saw farmers, particularly in northern Sri Lanka, increasingly battling unpredictable and extreme weather conditions. AMEG's SOLID team became interested in introducing cultivation of a crop that could thrive with little water but also withstand heavy rains. Passion fruit was identified as a suitable plant as it can be cultivated with minimum water during the dry period using supplementary irrigation. With substantial market demand in the local and export markets, producing passion fruit also had the

Passionfruit farmer in Sri Lanka

CHEMONICS / AMEC

potential to generate a good income for farmers.

With the opening of its new vegetable and fruit processing plant in Kilinochchi, private sector partner Cargills Ceylon PLC was looking to source large quantities of passion fruit. AMEG partnered with Cargills to develop commercial cultivation of passion fruit in the Anuradhapura, Mullaitivu, and Vavuniya Districts of northern Sri Lanka. The SOLID activity provided 200 passion fruit farmers with water pumps and materials and training to construct trellis structures for the plants to achieve high yields. The project also conducted training on the safe and responsible use of pesticides and integrated pest management. The SOLID activity promoted inter-cropping with groundnut during the early months of cultivation to ensure steadier revenue streams for farmers.

Cargills signed forward buying agreements with pre-determined prices with the passion fruit farmers. In the unlikely event that Cargills is not buying passion fruit at the time of harvest, farmers have opportunities to sell their produce in the open market. Cargills also employed two full-time extension officers and hired experts to conduct technical training in support of the SOLID passion fruit initiative. In addition, the company's established collection networks and payment systems make it easy for farmers to transport their product.

Cultivation is still in the early stages, but roughly 20 passion fruit farmers began harvesting in the summer of 2017. Initial harvests were low due to dry weather conditions, but farmers are hopeful that the yield will be higher in the coming months and are convinced of the tolerance of the passion fruit plant to extreme weather conditions. Despite lack of rain, some farmers harvested 500 to 600 kilograms of fruit within a five-week period, resulting in average monthly income of $170. These farmers are expecting to double their harvest next season.

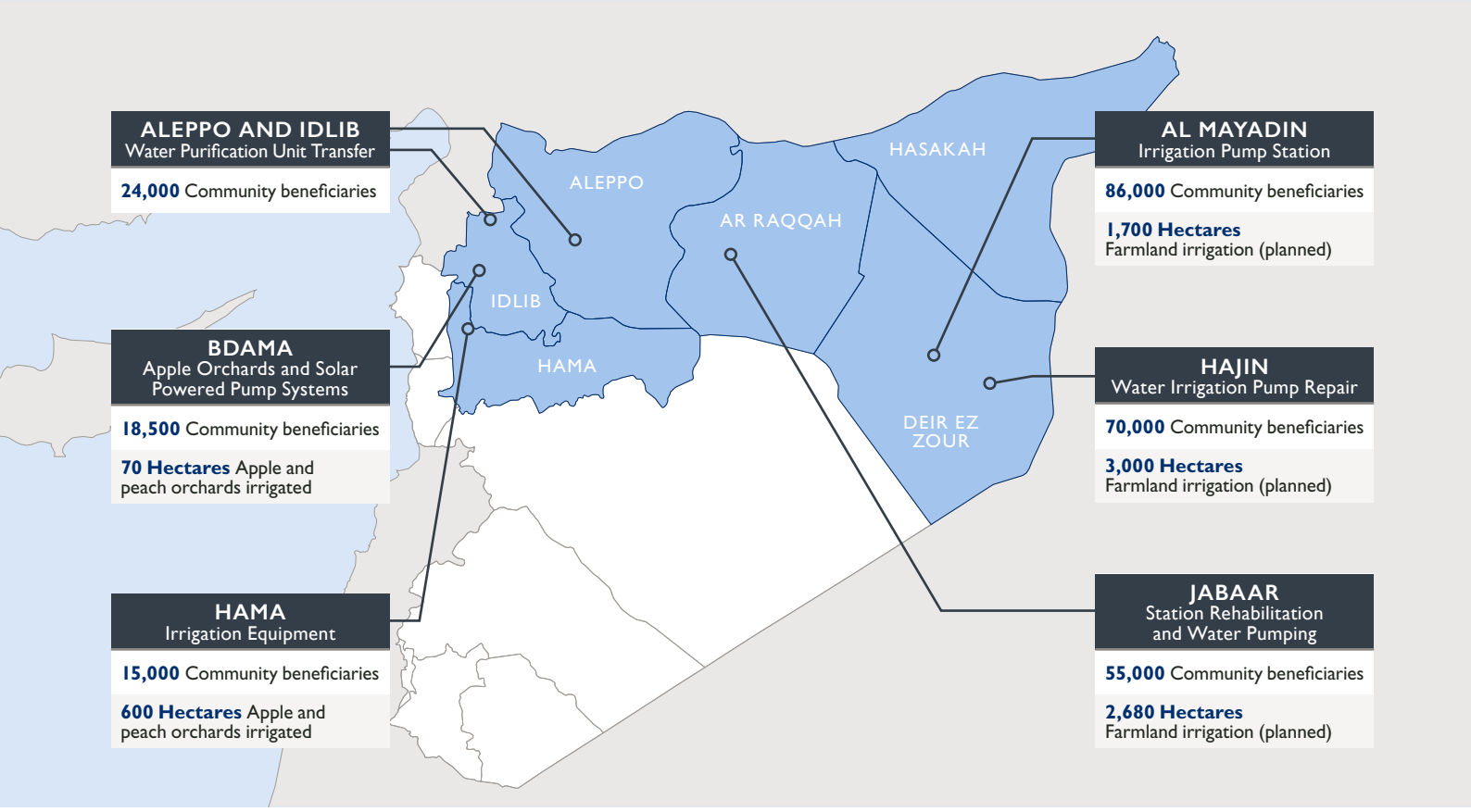
RESTORING ECONOMICALLY ESSENTIAL SERVICES IN SYRIA

With at least 470,000 killed, 5 million living abroad as refugees, and 40 percent of the population displaced by the conflict, restoration of essential services is vital for stability and economic recovery in Syria. In 2013, AMEG conducted an essential services needs assessment in northern Syria and concluded that water, specifically water infrastructure, was critical to livelihoods in the struggling agricultural communities in northern Syria. AMEG's Syria Economically Essential Services bridge activity implemented four pilot activities inside

Syria to restore economically essential infrastructure. The pilots aimed to provide communities in the north with access to reliable water infrastructure via clean energy to sustain livelihoods in communities affected by the conflict.

Given that other donors were focusing on water, sanitation, and hygiene initiatives, AMEG focused on providing intermediate and long-term solutions in the water and agricultural sectors designed to reinvigorate local economies affected by the war. Water infrastructure and irrigation systems had suffered due to the loss of government funding and support, war-related damage, and shutdowns due to escalating fuel costs and lack of electric power, spare parts, and qualified repair technicians. Operating from Turkey, AMEG

SYRIA ACTIVITY LOCATIONS



coordinated closely with the Assistance Coordination Unit and local and provincial councils to determine high-priority interventions to restore economic viability in their communities. Syrian local and provincial councils in the north identified physical and technical resources critical to restore or rejuvenate their largely agricultural economies.

To combat heavy reliance on diesel power generators that required costly fuel (largely under the control of extremist groups at the time), AMEG worked with local councils to install solar-powered irrigation equipment where feasible. By using sustainable clean energy, AMEG reduced interruptions in irrigation and rejuvenated local economies while simultaneously building the local councils' credibility as service providers and viable governance alternatives to extremist groups such as the Islamic State and Jabhat al Nusra. Wherever feasible, AMEG not only restored irrigation, but also provided communities with equipment that could provide purified drinking water using solar power. The map on the following page highlight's AMEG infrastructure and rehabilitation projects in northern Syria.

In Bdama, AMEG support enabled approximately 120 orchards to be irrigated using solar technology. By installing submersible irrigation pumps powered by solar panels, AMEG helped Syrian apple orchards become economically viable again, producing their first harvest since 2012. Twelve solar power generation sets were installed, which are capable of powering eight to 14 orchards each. AMEG also assisted local farmers and orchard owners to establish water users' associations to govern usage of the irrigation wells and operation and maintenance of the solar-powered irrigation equipment. As a result of AMEG's intervention, Syrian apple farmers were able to get back to work, create jobs in their community, and establish a system of governance for shared resources through the water users' associations. This sustainable and easily replicable activity demonstrates the viability of alternative energy projects and provides hope for reconstruction and revitalization of Syria's agricultural-based communities post-conflict.

IDENTIFYING OPPORTUNITIES TO ENGAGE THE PRIVATE SECTOR IN RECONSTRUCTION POST-DISASTER

Following Nepal's earthquake in April 2015, USAID staff in Kathmandu and Washington came together to reflect on how the agency could reinforce the private sector's ability to support the Nepalese recovery and "build back better." The USAID/Washington team, comprising Global Partnerships, Private

Water pump installation in Syria.

CHEMONICS / AMEG

Capital and Microenterprise, the Development Credit Authority, and the Asia Bureau, grounded its work in the theory that by leveraging the activities and resources of the recovery effort, the government of Nepal and development partners could empower the private sector as a partner and service provider for the recovery. In addition, effective engagement of the private sector would solidify and strengthen its role as the economic foundation for Nepal's future growth and development.

AMEG contributed to an assessment in 2015 to help USAID/Nepal identify private sector engagement opportunities — such as catalyzing private capital, public-private alliances, and market-driven initiatives — that the mission can pursue to 1) support near-term recovery and reconstruction needs and 2) lay the groundwork for long-term agricultural value chain development in Nepal. As a focus Mission under the U.S. Feed the Future initiative, a large portion of USAID/Nepal's emphasis and resources focuses on sustainably increasing agricultural productivity and facilitating farmers' access to markets. The AMEG assessment team

evaluated opportunities to catalyze private sector-led growth in the agricultural sector to improve the effectiveness of Feed the Future programming.

AMEG examined opportunities in the agricultural sector and worked with Nepali stakeholders to identify and prioritize market-driven approaches, opportunities to engage private sector players, and methods for mobilizing private capital to optimize the impact and cost-effectiveness of the Mission's post-earthquake recovery and reconstruction investments in the agricultural sector. AMEG found that Nepal has an opportunity to develop more vertically and horizontally coordinated and efficient agricultural supply chains, which will increase smallholder incomes. This would allow the mission to achieve greater impact with its resources by leveraging and capitalizing on existing private sector efforts.

A farmer in Sri Lanka sells her goods in the market.

CHEMONICS / AMEG

SOLID dairy farmer Nagalingam Kanakasapapathi.

CHEMONICS / AMEG

SNAPSHOT
Rebuilding Lives through Farm Interventions in Sri Lanka

Nagalingam Kanakasapapathi resettled in Mullaitivu in August 2011 with his wife when both were released from a detention camp for former combatants of the Liberation Tigers of Tamil Eelam (LTTE). In 2013, they started farming on a half-acre plot of land, focusing on mushroom cultivation, and small-scale poultry and dairy farming. With one dairy cow and a knack for farming, Nagalingam caught the attention of a local veterinary surgeon who recommended Nagalingam take training through AMEG's SOLID activity. Nagalingam received sorghum seeds and training on fodder sorghum cultivation from SOLID in October 2014. Nagalingam later attended SOLID training sessions on silage production, total mixed ration feeding, azolla production, clean milk production, farm planning, and the safe and responsible use of pesticides. In less than a year Nagalingam transformed his farm. He now has seven cows, four of which are pregnant, and has purchased an extra half-acre of land to extend his sorghum cultivation. As a result of the new feeding practices introduced by SOLID, the two milking cows in Nagalingam's herd now produce an average of 20 liters of higher fat milk per day — a significant improvement from the four liters per day they used to produce. With the increased quantity and quality of his milk, Nagalingam has started producing cheese and other milk-based products which command higher prices in the market.

Nagalingam's success spread far beyond his own one-acre plot. He has become a recognized figure in the local farming community and has been approached by other organizations and farmers for support. Since receiving training and technical assistance from SOLID, he has trained roughly 200 other neighboring farmers on animal nutrition and feed management. The growth of his farm has allowed Nagalingam to demonstrate his devotion to his community and to Sri Lanka's dairy industry.

While many ex-combatants face difficulties in resuming livelihood activities and in reintegrating into society, Nagalingam has been able to overcome these obstacles. In the eyes of the local community he is no longer just a "former combatant," he is a dairy farmer and a community leader.

Asia and Middle East Economic Growth Best Practices Project Reports by Activity

Activity Name	Geographic Area	Enterprise Competitiveness	Youth and Workforce Development	Financial Inclusion and Investment	Trade	Public Financial Management	Agricultural Livelihoods	Final Deliverable(s)
Accelerating Inclusive Economic Growth in Timor-Leste	East Timor						•	Accelerating Inclusive Growth in Timor-Leste
Advantages and Disadvantages of Geographic Indicators System	Morocco				•			Advantages and Disadvantages of Geographic Indicators System: Tools and Lessons Learned from Morocco
Assessment of LGBTI Economic Inclusion	Tunisia, Lebanon	•						Not for public distribution
Assessment of USAID COMPETE Project Impacts of Increased Investment in Palawan	Philippines	•						Impacts of New Infrastructure on Tourism in the Philippines: Case Study on USAID Support for the Philippines' Tourism Road Infrastructure Program
Assessment of Gender Lens Investing in Asia	India, Singapore, Vietnam, Bangladesh, Philippines, Thailand			•				Gender Lens Investing in Asia
Best Practices for Improved Employment Outcomes	Egypt, Lebanon, Jordan, Tunisia, Pakistan, West Bank/Gaza, Bangladesh	•						Enterprise Competitiveness Technical Guide Enterprise Competitiveness Video Case Study: Tunisia Business Reform and Competitiveness Project Case Study: Nigeria MARKETS Case Study: Pakistan Entrepreneurs Livelihoods Model Case Study: Endeavor Entrepreneurship Model Case Study: Bangladesh Jobs Opportunities and Business Support Case Study: Mauritius Business Growth Scheme Technology Partnerships for Workforce Development Technical Guide
Cambodia Trade Facilitation Assessment	Cambodia				•			Facilitating Cambodia's Trade Integration: A Road Map to Implementing the WTO Trade Facilitation Agreement
Gender Equality Mainstreaming Framework and Pilots	India, Indonesia			•				Gender Equality Mainstreaming Framework
Global Entrepreneurship Summit	India, Pakistan, Bangladesh, Indonesia, Philippines, Vietnam	•						Investing in South Asia: What's Next for Entrepreneurship in India, Pakistan, and Beyond Navigating the ASEAN Market: Successes and Challenges in Investing in Southeast Asia ASEAN Connect
Guide to Integrating Gender into Trade Capacity-Building Programs	Middle East Asia				•			Integrating Gender into Trade Capacity-Building Programs in the Middle East and Asia
Increasing Enterprise Growth & Jobs	Lebanon	•						Increasing Enterprise Growth and Jobs in Lebanon
Indian Diaspora Investment Preferences	India			•				The U.S. Indian Diaspora: Investment Preferences and Demand for a Fixed-Income Social-Impact Investment
Indo-Pacific Economic Corridor (IPEC)	Bangladesh, India, Sri Lanka, Nepal				•			Indo-Pacific Economic Corridor Phase I: Coordinated Regional Trade Analysis Indo-Pacific Economic Corridor Phase II: Assessment of Non-Tariff Barriers in South Asia Facilitating Regional Connectivity in South Asia: Indo-Pacific Economic Corridor Final Report New Delhi Conformity Assessment Workshop Report National Single Window Best Practice with Lessons from Southeast Asia Non-Tariff Barriers to Trade in Bangladesh: National Action Plan South Asia Borderless Alliance Blueprint Expanding Access to Express Courier Services through the Benapole-Petrapole Land Port: Economic Study Enhancing Connectivity and Market Access through Express Courier and Postal Shipments: A Blueprint for a Demonstration Pilot between Bangladesh and India Optimizing Cross-Border Trade Operations between Bangladesh and India: A Business Needs Assessment of Customs Facilities at Dhaka Airport and the Benapole and Petrapole Land Ports India-Bangladesh Dialogue Workshop on Conformity Standards: Summary Report Action Plan for Removal of Non-Tariff Barriers between Bangladesh and India
Iraq Public Financial Management	Iraq					•		Developing a Domestic Debt Market in Iraq: A Guidebook Towards Economic Reform in Iraq
Jordan Fiscal Assessment	Jordan					•		Jordan Fiscal Environment Assessment Final Report
Kyrgyz Republic Economic Growth Assessment	Kyrgyzstan	•						Kyrgyz Republic Economic Growth Assessment
Lebanon Diaspora Engagement Pilot	Lebanon	•						www.diasporaid.com
Lebanon Ta3mal Pilot	Lebanon	•						Ta3mal YouthWorks Pilot in Lebanon: Final Activity Report
Libya Public Financial Management	Libya					•		Libya PFM Pilot Final Report Libya Municipal Revenue Generation: A Short Guidebook for Libyan Municipalities (2016) Libya PFM System Reform: Subnational and Procurement Reform Assessment (2014) Libya Public Financial Management System Reform Assessment (2014)
Lower Mekong Initiative Clean Energy Business Dialogue	Philippines, Vietnam, Burma, Laos, Cambodia, Thailand	•						Lower Mekong Initiative Clean Energy Business Dialogue 2015
MENA Regional Trade Capacity Building Pilot	Egypt, Jordan, Lebanon, Tunisia, Morocco, West Bank/Gaza (UAE, Bahrain, Abu Dhabi)				•			Middle East and North Africa Trade Barriers: A Synthesis The Integration of Middle East and North African Countries into Global and Regional Value Chains: Taking Stock of the USAID MENA Trade Capacity Building Pilot Tunisia External Commerce Diagnostic
Pakistan Non-Agricultural Value Chain Assessment	Pakistan	•						Pakistan Non-Agricultural Value Chain Assessment
Private Sector Engagement Assessment	Nepal						•	Published by USAID Partnership Services Program
Revenue Capital Finance Model	Egypt, Tunisia, Lebanon, Iraq, Morocco, Jordan, UAE			•				Revenue Capital Technical Guide Introduction to Revenue Capital (Video)
Secured Transactions Reform	Egypt, Jordan, Lebanon, Tunisia, Morocco, Iraq, West Bank/Gaza			•				Status of Secured Transactions Reform in the Middle East and North Africa Region
Sri Lanka Public Financial Management Needs Assessment	Sri Lanka					•		Sri Lanka Public Financial Management Assessment Report
Sri Lanka Livelihoods Assessments	Sri Lanka						•	Supporting Livelihoods for Vulnerable Populations in Sri Lanka Assessment of Findings and Opportunities
Supporting Opportunities for Livelihoods Development Pilot	Sri Lanka						•	Supporting Opportunities for Livelihoods Development Annual Report FY 2014 Supporting Opportunities for Livelihoods Development Annual Report FY 2015 Supporting Opportunities for Livelihoods Development Annual Report FY 2016 SOLID Broiler Management Training Manual SOLID Approach to Producing Year-Round Cattle Feed Supporting Opportunities for Livelihoods Development Activity Final Report
Support to Middle East & North Africa Investment Initiative	Jordan, Lebanon, Iraq, Morocco, West Bank/ Gaza			•				Lebanon Investment Landscape and Business Environment Assessment Investment Landscape and Business Environment Assessment in the West Bank
Syria Economically Essential Services	Syria						•	Essential Services North Final Report
Trade Facilitation Needs Assessments	Yemen, Tunisia, Morocco				•			Not for public distribution
Tunisia Tax and Customs Reform Pilot (TCP)	Tunisia					•		Tunisia Tax and Customs Reform Pilot Activity: Phase I Final Report Policy Challenges of Decentralization in Tunisia Tunisia Tax and Customs Reform Pilot Activity: Final Report
Yemen Economic Growth Appraisal	Yemen	•						Yemen Economic Growth Appraisal
Yemen E-Money Services Gap Analysis	Yemen			•				E-Money Services and their Potential in Yemen
Yemen Microfinance Network Training Kit for Loan Officers	Yemen			•				Developing Training Curricula for Microfinance Loan Officers in Yemen
Yemen Mobile Money Regulations	Yemen			•				Review of Branchless Banking Regulations in Yemen
Yemen Mutual Accountability Framework	Yemen					•		Support to the Executive Bureau for the Implementation of the Mutual Accountability Framework
Yemen TedX Entrepreneurship Events and Start-Up Weekends	Yemen		•					TedX Sana'a
Yemen Workforce Development Appraisal	Yemen		•					Yemen Workforce Development Appraisal
Yemen Workforce Development Pilot	Yemen		•					Yemen Vocational Training Market Assessment

U.S. Agency for International Development
1300 Pennsylvania Avenue, NW
Washington, DC 20523
Tel: (202) 712-0000
Fax: (202) 216-3524
www.usaid.gov