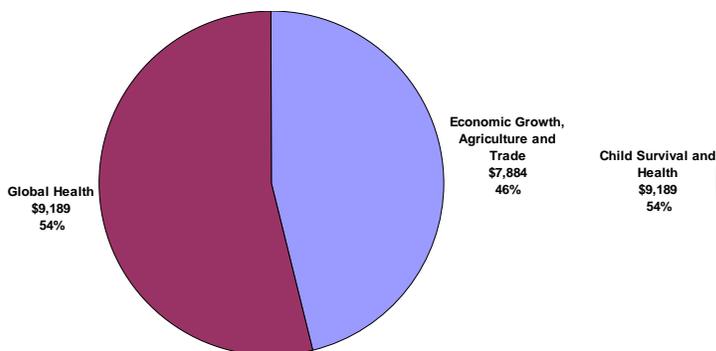
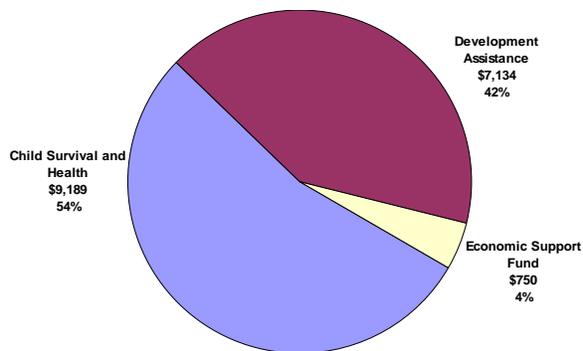


Brazil

FY 2006 Assistance by Sector



FY 2006 Assistance by Account



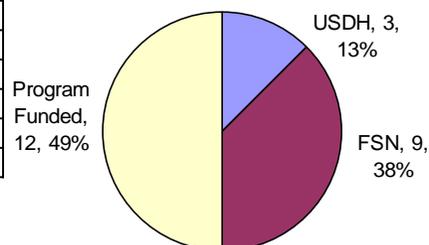
Objectives and Budget

Objective	SO Number	FY 2004	FY 2005	FY 2006
Communicable Diseases Program	512-007	8,140	7,856	7,900
Environment Program	512-008	6,275	6,088	5,143
Energy Program	512-009	1,375	990	1,000
At-Risk Youth Program	512-010	1,300	1,360	1,289
SME Growth, Trade, and Poverty Reduction	512-011	1,943	846	1,741
Total (in thousands of dollars)		19,033	17,140	17,073

Administrative Expenses and Workforce

Administrative Expenses	FY 2004	FY 2005	FY 2006
Mission Allocation	1,024	1,035	1,132
USDH Salaries & Benefits	443	408	417
Program Funds	686	896	896
Total (in thousands of dollars)	2,153	2,339	2,445

FY 2006 Workforce



Mission Director: Richard Goughnor

Brazil

The Development Challenge: With a population of 182 million and the largest economy in South America, Brazil is a key U.S. partner and provides a regional leadership role on trade, democracy, environment, and peacekeeping. Brazil has made progress in consolidating democratic reforms and establishing relative economic stability after years of rampant inflation. In 2002, Luís Inácio Lula da Silva, of the Worker's Party, was elected President with an unprecedented 61% of the popular vote. Voters supported Lula with the expectation that he would fight poverty, create jobs, and expand social sector programs. Nearly two years into his administration, Lula has strengthened the confidence of international and domestic investors by shoring up Brazil's economy, running primary budget surplus, and controlling inflation. Preliminary 2004 economic figures project a drop in the 2003 inflation rate of 9.3% to 7%, and an increase in the economic growth from 0.5% in 2003 to 5.0%.

Despite relative economic stability and promise on the trade front, major social problems challenge the Government of Brazil (GOB). An estimated 53 million (or 30%) Brazilians live in poverty, nearly 20% of the population is illiterate, 57% of all HIV/AIDS cases in South America are found in Brazil, and 120,000 new tuberculosis (TB) cases are reported annually. Over 12 million people lack access to the national power grid. In 2003, in response to widespread poverty and income inequality, the Lula administration unveiled its flagship "Zero Hunger" program, focused on improving nutrition, and increasing access to potable water, health and education. The program, which was recognized during a June 2003 Presidential Summit President Bush and Lula, has been slow to achieve results. USAID support to nongovernmental organizations (NGOs) and faith-based organizations (FBOs) is key to the success of Zero Hunger, in addressing HIV/AIDS and TB, assisting at-risk youth, and expanding energy access.

Proper stewardship of Brazil's rich environmental endowment holds global significance. Twenty-two percent of the world's known plant species exist in Brazil and 20% of the world's fresh water lies in the Amazon basin. Brazil is one of the largest greenhouse gas contributors in the world. Environmental degradation and deforestation continue at alarming rates as the agricultural frontier expands. Environmentally-sustainable economic development in the Amazon is the only viable alternative to deforestation. USAID environment and energy programs directly support the U.S.-Brazil Common Agenda for the Environment.

The USAID Program: USAID plays an important role in bringing the GOB, donor community, civil society and private sector together to leverage the broad expertise and resources necessary to address many of Brazil's most pressing development challenges. USAID's program comprises five Strategic Objectives contributing to: 1) protection of Brazil's environment and unique biodiversity; this program is designed to increase benefits to rural poor and shape future land-use trends over large geographic areas, while continuing to mitigate the adverse impact of climate change (GCC) and biodiversity loss; 2) reduction of greenhouse gas emissions through the promotion of alternative energy and energy efficiency; the program seeks to stimulate economic growth, reduce poverty, and address GCC and other adverse environmental impacts through delivery of renewable energy and energy efficiency services; 3) increased training and employment opportunities for disadvantaged youth and reduction of trafficking in persons (TIP) cases; the program provides disadvantaged youth with access to training and employment opportunities through technical and life skills development and offers technical assistance to the GOB to halt TIP for sexual exploitation; 4) HIV/AIDS prevention and decreased TB; the health program strategy aims at reducing the transmission of selected communicable diseases, with an emphasis on enhanced HIV/AIDS prevention and expansion of TB control programs; and 5) promotion of free trade and small and micro enterprise (SME) development, as well as support to complement the GOB's Zero Hunger program by funding local nongovernmental organization (NGO) safety net programs. USAID's objective is to create conditions for greater hemispheric trade and related SME growth and employment, while contributing to poverty alleviation.

USAID makes significant contributions in addressing development challenges in Brazil, despite the country's sheer size and the magnitude of its development challenges. USAID works with U.S. and Brazilian NGOs and firms, most of which work through consortia and/or with local partners. USAID succeeds by focusing geographic coverage; expanding local government, NGO, indigenous organizations

and local communities' capacity to respond to challenges in the areas of health service provision, expanded access to reliable sources of energy, environmental protection, and social and economic inclusion of impoverished populations; and by promoting replicable pilot activities and methodologies that leverage significant collaboration and resources.

Other Program Elements: USAID's Office of Regional Sustainable Development within the Latin American and Caribbean Bureau manages several activities in Brazil. The Parks-in-Peril program contributes to the national park conservation activities. A regional trade program disseminates information on the benefits of free trade and works with the GOB in developing mechanisms for the private sector and civil society to provide their input on free trade issues. USAID's Bureau for Economic Growth, Agriculture and Trade manages complementary activities that focus on biodiversity conservation, information sharing, coordination of USAID programs, youth employability, and energy policy. Under the energy program, the United States Energy Association is helping to facilitate partnerships between Brazil's Power Sector Regulatory Agency and U.S. public utility commissions.

USAID's Global Health Bureau contributes to a program that conducts field research on HIV/AIDS, sexually transmitted infections and TB and provides related management training. The South American Regional Program manages a malaria surveillance, detection, and treatment activity in the Brazilian Amazon region.

Other Donors: The GOB funds most environmental activities in Brazil. USAID ranks sixth in dollar contributions. The German Development Agency (GTZ) is the number one international investor in the protection of Brazil's biodiversity, followed by the European Union. The World Bank (IBRD) provides technical and financial cooperation for the Amazon Regional Protected Areas program. The Gordon and Betty Moore Foundation contributes three to four times the annual USAID environment budget, focusing on general Amazon forest conservation. Holland and the United Kingdom (UK) also contribute significantly to environmental protection in Brazil.

USAID is the largest bilateral donor in HIV/AIDS prevention. Complementing USAID efforts with the GOB, the World Bank signed a third HIV/AIDS loan for \$150 million, administered principally by UNESCO. Previous HIV/AIDS loans totaled \$325 million. The International Labor Organization (ILO) currently chairs the Brazil chapter of UNAIDS and is investing mostly in AIDS in the Workplace programs. Other donors include GTZ, the UK's Division for International Development (DFID) and UN Children's Fund (UNICEF). USAID also works closely with the Pan American Health Organization (PAHO) on TB control. In the energy sector, the IBRD and the Inter-American Development Bank (IDB) are the largest donors, followed by the UN Development Program (UNDP). The Japanese, GTZ and DFID also share USAID's interest in the energy sector. Key areas supported by these donors include energy sector regulation, energy efficiency, climate change and hydrogen.

Youth employability and TIP programs are priorities for USAID and ILO. Both collaborate in promoting youth training and employment generation, and in tackling TIP as major violation of human rights. Another key donor combating TIP is the Swedish Children's Fund. On SME growth, trade and poverty alleviation, the IDB and the IBRD have earmarked substantial resources to support the GOB's Zero Hunger program, while a local NGO, funded by the UN Food and Agriculture Organization and the International Finance Corporation coordinates a unified private sector response in this area. DFID and GTZ are working on specific clusters and productive associations to support SMEs. A number of domestic agencies, among which the Brazilian Small Business Administration, the Small Business Export Agency and the National Confederation of Industries are prepared to co-fund pilot activities in trade-led growth and employment.

Brazil PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2003 Actual	FY 2004 Actual	FY 2005 Current	FY 2006 Request
Child Survival and Health Programs Fund	10,300	9,140	9,216	9,189
Development Assistance	7,967	9,143	7,924	7,134
Economic Support Fund	0	750	0	750
Total Program Funds	18,267	19,033	17,140	17,073

STRATEGIC OBJECTIVE SUMMARY

512-007 Communicable Diseases Program				
CSH	9,300	8,140	7,856	7,900
512-008 Environment Program				
DA	6,319	6,275	6,088	5,143
512-009 Energy Program				
DA	1,294	1,375	990	1,000
512-010 At-Risk Youth Program				
CSH	1,000	1,000	1,360	1,289
DA	354	300	0	0
512-011 SME Growth, Trade, and Poverty Reduction				
DA	0	1,193	846	991
ESF	0	750	0	750

Mission Director,
Richard Goughnor

Data Sheet

USAID Mission:	Brazil
Program Title:	Communicable Diseases Program
Pillar:	Global Health
Strategic Objective:	512-007
Status:	Continuing
Planned FY 2005 Obligation:	\$7,856,000 CSH
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$7,900,000 CSH
Year of Initial Obligation:	2003
Estimated Year of Final Obligation:	2008

Summary: This program aims to reduce the transmission of selected communicable diseases in target areas, with an emphasis on enhanced HIV/AIDS prevention activities and the expansion of tuberculosis (TB) control programs to selected geographic areas and at-risk populations. In collaboration with the Ministry of Health (MOH), USAID focuses on four main areas: 1) strengthening outreach capacity of nongovernmental organizations (NGOs) to provide services to high-risk populations; 2) expanding condom social marketing, including behavior change communications; 3) improving epidemiological surveillance and research; and 4) strengthening TB control through Directly Observed Therapy (DOTS), the World Health Organization recommended strategy for TB prevention, identification and treatment.

Inputs, Outputs, Activities:

FY 2005 Program: Reduce Transmission and Impact of HIV/AIDS (\$5,837,000 CSH). Targeting high-risk groups, USAID provides technical assistance and training to strengthen the capacity of NGOs to implement activities aimed at reducing the transmission of HIV/AIDS. Activities include peer education and training of clinic staff members and volunteers that emphasize the promotion of behavior change; partner reduction; education and communication; voluntary counseling and testing; sexually transmitted infection (STI) treatment; and referrals to public social services and primary care providers. The condom social marketing program will be expanded by providing technical assistance to implement behavior change communication and marketing activities tailored to reach high HIV prevalence and vulnerable populations. USAID will fund a pilot program in abstinence promotion to explore alternative activities for avoiding HIV infections. USAID will also provide technical assistance to improve epidemiological surveillance and research by supporting the implementation of HIV sentinel surveillance sites to be selected in consultation with the MOH. Operations research may include the development of protocols to answer questions related to prevention interventions and their cost-effectiveness, the appropriateness of prevention and care strategies, etc. The main implementers are Private Agencies Cooperating Together (PACT), the Centers for Disease Control (CDC), and the Population Council.

Prevent and Control Infectious Diseases of Major Importance (\$2,006,000 CSH). USAID will provide technical assistance to expand DOTS to other high prevalence areas in southeastern and southern Brazil. Technical assistance will continue to emphasize operations research and training of medical personnel and community health workers in the implementation of DOTS services. In addition, USAID will continue the policy dialogue with federal, state and municipal governments to reinforce compliance with DOTS treatment methodology. The main implementers are Management Sciences for Health, the Brazilian Family Welfare Society, the Tuberculosis Coalition for Technical Assistance and CDC.

FY 2006 Program: Reduce Transmission and Impact of HIV/AIDS (\$5,900,000 CSH). USAID plans to continue technical assistance and training to strengthen the outreach capacity of NGOs to provide services to vulnerable/high prevalence populations. The condom social marketing program will continue to implement behavior change communications activities and support media campaigns in an expanded geographic area. USAID also plans to support continued policy work related to the availability and cost of condoms. Activities to improve epidemiological surveillance and research will continue. In addition, USAID plans to provide funds to NGOs to establish a pilot abstinence program for adolescents. The implementers are the same as above.

Prevent and Control Infectious Diseases of Major Importance (\$2,000,000 CSH). TB activities will continue to build on previous successes by expanding DOTS to other high prevalence areas in the southeastern and southern regions of Brazil. USAID plans to continue providing technical assistance to emphasize operations research and training of medical personnel and community health workers in the implementation of DOTS services. The implementers are the same as above.

Performance and Results: USAID's program in HIV/AIDS has achieved excellent results in its first year of implementation. The NGO strengthening activity has already resulted in award of 22 grants to different NGOs including five awards to consortia, thereby further expanding the impact of the program in target groups. It is expected that this activity will result in 10,000 trainees in HIV/AIDS prevention and control. It will also result in approximately 1,000 referrals for STIs and HIV testing and counseling over the next year. Treatment for TB/HIV co-infection will increase manifold with a greater number of clients enrolled in effective treatment regimes. Scheduled knowledge, attitude and practice surveys will measure behavior change triggered by education and information campaigns.

USAID provided support to the Brazilian National HIV/AIDS Conference that brought together high-level government officials, UNAIDS, private sector, civil society, and NGO representatives. Discussions held at the Conference led to increased cooperation among all parties to further expand prevention activities. Policy dialogue has increased the visibility of key issues that impact condom availability, including decreased import taxes and tax exemption for condoms. A working group was formed to explore alternative distribution mechanisms.

USAID played a major role in the MOH's adoption of DOTS as the national policy for TB treatment. DOTS expansion activities began in March 2004 at three sites in the São Paulo metropolitan area. Results have been encouraging and indicate a significant increase in the use of DOTS in that area. The use of DOTS in Rio de Janeiro has also been encouraging at three health centers and at a site using the community outreach worker approach.

Through this program, USAID will help reduce HIV/AIDS infection rates among selected high prevalence groups and promote sexual behavior change. An increased number of people will be tested and referred for STI and HIV/AIDS treatment. In combating TB, USAID anticipates the following will be achieved: 75% coverage, 85% cure rate, and a 70% case detection rate in USAID target areas. DOTS completion rates are expected to increase from 40% to 85%.

US Financing in Thousands of Dollars

Brazil

512-007 Communicable Diseases Program	CSH
Through September 30, 2003	
Obligations	9,520
Expenditures	4
Unliquidated	9,516
Fiscal Year 2004	
Obligations	8,650
Expenditures	0
Through September 30, 2004	
Obligations	18,170
Expenditures	4
Unliquidated	18,166
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2005 NOA	
Obligations	7,856
Total Planned Fiscal Year 2005	
Obligations	7,856
Proposed Fiscal Year 2006 NOA	
Obligations	7,900
Future Obligations	26,074
Est. Total Cost	60,000

Data Sheet

USAID Mission:	Brazil
Program Title:	Environment Program
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	512-008
Status:	Continuing
Planned FY 2005 Obligation:	\$6,088,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$5,143,000 DA
Year of Initial Obligation:	2003
Estimated Year of Final Obligation:	2008

Summary: The USAID environment program provides technical assistance and training to increase benefits to rural poor and shape future land-use trends over large geographic areas of Brazil, especially the Amazon, while continuing to mitigate the global impacts of climate change and biodiversity loss.

Inputs, Outputs, Activities:

FY 2005 Program: Improve Sustainable Management of Natural Resources and Biodiversity Conservation (\$6,088,000 DA). USAID will provide technical assistance to improve sustainable forest management practices in community-level and industrial forest operations. Credit will be provided to small land holders to undertake sustainable agriculture in the Amazon forest. Sources of financial resources for small producers will be explored. Training and technical assistance will be provided to strengthen community-based networks to disseminate relevant market and financial information for environmental goods and services. USAID will promote the certification of six additional communities, increasing to 45,000 the number of hectares under community management. Civil society organizations will be assisted with the integration of management models, markets and regional planning to improve science-based plans for regional development, including fire risk reduction. An analysis of basin-wide timber concession policy and regulations will be completed. Activities will contribute to improved public policies and initiatives that promote community forest management and that affect future expansion of logging activities. Principal contractors and grantees are the International Institute of Education of Brazil (prime), Amazon Environmental Research Institute (prime), and the World Wide Fund for Nature/Brazil (prime).

FY 2006 Program: Improve Sustainable Management of Natural Resources and Biodiversity Conservation (\$5,143,000 DA). USAID will provide technical assistance and training to improve sustainable forest practices at the community and industrial levels. USAID will fund technical training courses for more than 200 students who will have direct involvement in the design and implementation of improved management systems. The characterization of community forest enterprises and identification of best practices to influence public policy related to community forest management are planned. USAID plans to certify six communities that manage 15,000 hectares. USAID will also support a forest products trade fair to increase the area of coverage and volume of business in the communities. Independent monitoring of deforestation will be promoted by supporting the improvement of tools for landscape change monitoring. Critical areas for planned expansion of the timber industry will be identified, mapped, and presented to state and federal authorities to facilitate proper forest planning and management. Implementers are the same as above.

Performance and Results: Brazil now has the largest area of certified natural forests in the tropics, at 1.3 million hectares. All of the certified timber companies in the Brazilian Amazon employ personnel trained through USAID-supported forest management courses. Models developed with USAID support are being used to guide fire prevention efforts and ultimately should predict the environmental impacts of future development scenarios, including the potential implications for both regional and global climate. Research on Amazonian ecosystems response to the combined threats of logging, burning, and climate change is assisting in the development and refinement of regional land use models that will provide further understanding of how these complex phenomena interact.

USAID is reducing the pace of deforestation in the Amazon through improved forest management practices that are changing the social and business behavior of forest dwellers and forest entrepreneurs, increasing economic valuation of the forest, and strengthening public policies designed to sustain forested areas. By program completion, two million hectares of Amazon forest will be managed as permanent, sustainable timber production forests, directly employing 20,000 skilled laborers in rural communities. Amazon forest fire incidents will be reduced by 20% and family income will double in selected Amazon forest dweller communities. In addition, this program will help achieve a five-fold increase in private investment in sustainably managed community forest products and ensure that 80% of the forested landscape is maintained intact in frontier areas. It will also help to put in place credit and investment policies that favor forest-based regional development. Through direct support for village-level conservation actions, USAID expects to contribute to a body of indigenous experiences that will influence Brazilian legislation, by strengthening provisions for protection of traditional knowledge and recognition of the value of indigenous stewardship of biodiversity and environmental services.

US Financing in Thousands of Dollars

Brazil

512-008 Environment Program	DA
Through September 30, 2003	
Obligations	6,448
Expenditures	6
Unliquidated	6,442
Fiscal Year 2004	
Obligations	6,435
Expenditures	0
Through September 30, 2004	
Obligations	12,883
Expenditures	6
Unliquidated	12,877
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2005 NOA	
Obligations	6,088
Total Planned Fiscal Year 2005	
Obligations	6,088
Proposed Fiscal Year 2006 NOA	
Obligations	5,143
Future Obligations	26,586
Est. Total Cost	50,700

Data Sheet

USAID Mission:	Brazil
Program Title:	Energy Program
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	512-009
Status:	Continuing
Planned FY 2005 Obligation:	\$990,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$1,000,000 DA
Year of Initial Obligation:	2003
Estimated Year of Final Obligation:	2008

Summary: USAID's energy program seeks to stimulate economic growth, reduce poverty, and address climate change and other adverse environmental impacts through the expanded delivery of renewable energy and energy efficiency services. The program includes technical assistance and training to: implement policies and regulations promoting renewable energy; demonstrate the feasibility and effectiveness of renewable energy technologies; build awareness on renewable energy and energy efficiency; and promote technology cooperation between the United States and Brazil on renewable energy and energy efficiency.

Inputs, Outputs, Activities:

FY 2005 Program: Reduce, Prevent, and Mitigate Pollution (\$990,000 DA). USAID will provide technical assistance and training to improve the policy environment to be more supportive of renewable energy; demonstrate the feasibility and effectiveness of renewable energy technologies; build capacity and awareness of renewable energy and energy efficiency; and promote technology cooperation between the United States and Brazil on renewable energy and energy efficiency. Technical assistance will be used to strengthen the capacity of the Brazilian Renewable Energy Nongovernmental Organization Network's (RENOVE) and the Brazilian Water and Energy Efficiency Association (ABAE). Working with private sector partners and nongovernmental organizations (NGOs), 20 new income generation demonstration projects will be launched, targeting 10,000 new direct beneficiaries. Projects will be developed in partnership with local energy utilities and microcredit institutions to facilitate their replication. USAID's technical and legal assistance to targeted private sector partners will lead to the construction of two hydro power plants in northern Brazil, providing energy services to another 10,000 people. USAID will launch an innovative energy efficiency program in which 10-20 industrial and commercial companies will participate. USAID will sponsor at least two international trade events and will continue to disseminate information on Brazilian renewable energy and energy efficiency markets. Principal contractors and grantees include Winrock International (prime) and local NGO sub-recipients.

FY 2006 Program: Reduce, Prevent, and Mitigate Pollution (\$1,000,000 DA). USAID plans to continue providing technical assistance to RENOVE to strengthen the network's fund-raising capacity, expand its local partnerships, and increase its engagement in energy policy committees. Assistance to strengthen ABAE will continue. USAID plans to work with NGOs, microcredit institutions, and energy utilities to establish formal partnerships to replicate successful models for energy delivery in rural areas. A comprehensive hands-on energy efficiency program will be continued, targeting industrial and commercial companies in Brazil. USAID plans to partner with the U.S. Foreign Commercial Service to develop the U.S. Renewable Energy Export Initiative in Brazil, under which a trade mission of major U.S. suppliers and trade development institutions is expected to take place in October 2005. USAID will also fund activities that promote cooperation between U.S. and Brazilian firms in the field of renewable energy and energy efficiency. Implementers are the same as above.

Performance and Results: Progress is being made in providing for Brazilians with access to modern energy services. In FY 2004, an estimated 125,000 people were connected to the national power grid. Thirty one thousand Brazilians now have modern renewable energy-based services as a result of USAID's interventions. Additionally, successful renewable energy demonstration projects paved the way

for partnerships with local energy utilities, which facilitate the replication and scaling up of USAID's initiatives. These initial results indicate that the program is progressing towards the goal of reducing the number of Brazilians without access to adequate energy supply by 30%. By the end of the program, \$10 million will have been mobilized for the development of renewable energy and energy efficient projects and result in a 50% increase in Brazil's installed renewable energy generation capacity.

US Financing in Thousands of Dollars

Brazil

512-009 Energy Program	DA
Through September 30, 2003	
Obligations	1,294
Expenditures	600
Unliquidated	694
Fiscal Year 2004	
Obligations	1,409
Expenditures	0
Through September 30, 2004	
Obligations	2,703
Expenditures	600
Unliquidated	2,103
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2005 NOA	
Obligations	990
Total Planned Fiscal Year 2005	
Obligations	990
Proposed Fiscal Year 2006 NOA	
Obligations	1,000
Future Obligations	3,907
Est. Total Cost	8,600

Data Sheet

USAID Mission:	Brazil
Program Title:	At-Risk Youth Program
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	512-010
Status:	Continuing
Planned FY 2005 Obligation:	\$1,360,000 CSH
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$1,289,000 CSH
Year of Initial Obligation:	2003
Estimated Year of Final Obligation:	2008

Summary: Of the 53 million Brazilians living below the poverty line, 22 million are youth between the ages of 16 and 24. Faced with a weak educational system, difficult family situations, and unemployment rates of up to 26% in the poorest regions of the country, these young people are at a significant disadvantage in developing life skills and in entering the job market. They face increasing pressure from their families to begin working at an early age, particularly in the thriving informal sector. Early entry forces them to drop out of school or vocational training programs to pursue petty, and often illegal, activities that generate insufficient income.

USAID's At-Risk Youth Employability program focuses on two principal areas. First, it provides disadvantaged youth with access to training and employment opportunities through mentoring programs and technical and life skills development. Second, the program assists the Government of Brazil (GOB) to halt trafficking in persons (TIPs) for sexual exploitation. USAID funds programs that help victims engage in legitimate income-generating activities that provide victims with legal support, and that strengthen law enforcement to prosecute perpetrators and dismantle TIP rings.

Inputs, Outputs, Activities:

FY 2005 Program: Improve Quality of the Workforce (\$960,000 CSH): USAID will expand the scope of training programs for at-risk youth beyond Information and Communications Technology (ICT) and tourism to include other promising areas in demand by the labor market. Such areas may include alternative energy generation, electricity for the construction sector, audio and video production, and e-government service provision. Other training areas will be identified based on the results of labor market surveys conducted by youth in 2004. USAID will also expand the program's geographic focus to include Fortaleza, one of the poorest northeastern capitals. USAID will take advantage of established mentoring programs to engage successful professionals to increase internship and employment opportunities for trained youth. USAID will support at-risk youth with life skills to help them function effectively in the work environment, while strengthening linkages with private sector business associations to tap positions for disadvantaged youth. Principal grantees and agencies include the American Institutes for Research and Counterpart International (primes) and local NGOs (subs).

Reduce Transmission and Impact of HIV/AIDS (\$400,000 CSH): An AIDS-in-the-workplace component will be added to the at-risk youth program to develop prevention strategies for youth. This component will provide technical assistance to organizations that serve at-risk youth through focusing on the "A&B" components of the "ABC" methodology (abstinence, be faithful, and condoms). The component will also provide support to shelters and day-care centers that assist children and adolescents living with HIV. Principal grantees and agencies include the American Institutes for Research and Counterpart International (primes) and local NGOs (subs).

Reduce Trafficking in Persons (TIP). USAID will work with the GOB to expand the use of distance learning and web-based tools to train technicians on TIP issues in an increased number of municipalities. USAID will also assess the quality of services being provided to TIP victims by centers that already received training and refine the methodology and training programs as needed. USAID will collaborate with the GOB to improve TIP and commercial sexual exploitation case reporting and enhance referral

systems available to victims. Principal grantees and agencies include Partners of the Americas and the International Labor Organization (primes) and local subs.

FY 2006 Program: Improve Quality of Workforce (\$889,000 CSH). As the training program for youth achieves its targets, USAID will expand the number of youth benefiting from training in Recife, Salvador and Fortaleza. The entrepreneurship component of the ICT training program will encourage the establishment of cooperatives and small businesses. Advanced level training will be provided to further strengthen youth marketability in the formal labor market. Tourism-based training may be expanded to other northeastern capitals. USAID will monitor the performance of youth in the formal market and assess their ability to retain jobs. Complementary training modules may be developed to address the needs of youth that are not able to fully succeed in the workplace. USAID will continue to strengthen ties with the private sector and with the GOB to increase insertion rates of youth into the formal market. Youth interested in opening small businesses or cooperatives may receive support to access micro-credit. Principal grantees and agencies include the American Institutes for Research, Counterpart International and their subs.

Reduce Transmission and Impact of HIV/AIDS (\$400,000 CSH). USAID will continue to promote HIV/AIDS education among trained youth that focuses on the abstinence and being faithful components of the "ABC" methodology. Principal grantees and agencies include the American Institutes for Research, Counterpart International and their subs.

Reduce Trafficking in Persons. USAID may further expand the number of municipalities directly involved in the anti-TIP program. Activities to combat pornography on the internet will be strengthened. A seminar involving all municipalities receiving USAID support will be convened to promote knowledge sharing, the exchange of best practices and assessments of future program needs. Where possible, TIP victims will be enrolled in USAID-funded employability programs. USAID will explore extending its support to strengthen shelters and provide emergency health and psychosocial services to victims in target areas to be defined in coordination with other U.S. Government agencies. Principal grantees and agencies include Partners of the Americas, the International Labor Organization, and local NGOs.

Performance and Results: As a result of USAID's assistance in 2004, 1,000 disadvantaged youth are receiving ICT and tourism-based training in the northeastern cities of Salvador and Recife. Of these, nearly 200 were inserted in medium-term internship programs in Salvador hotels, restaurants and travel agencies. The Brazilian Ministry of Tourism signed an agreement with USAID grantees to expand the tourism training program to another 23 sites in Brazil, which will directly benefit over 6,000 youth by the end of the At-Risk Youth program.

In 2004, USAID also signed a Memorandum of Understanding with the GOB to strengthen government-run centers that provide emergency health and psycho-social services to victims of sexual exploitation, in addition to referral to appropriate legal assistance. USAID partners identified 711 cases of commercial sexual exploitation, of which 108 cases appear related to trafficking for sexual purposes. Victims received direct services and cases are under investigation.

By the end of USAID's program, a 30% decrease in the unemployment rate of program-assisted youth is anticipated. A youth intern and mentors program will be established as corporate policy of private sector partners. Additionally, USAID will expand access to and improve the quality of assistance for trafficking victims, most of whom are children and adolescents, in ten municipalities where TIP and sexual exploitation are high.

US Financing in Thousands of Dollars

Brazil

512-010 At-Risk Youth Program	CSH	DA
Through September 30, 2003		
Obligations	1,000	826
Expenditures	0	0
Unliquidated	1,000	826
Fiscal Year 2004		
Obligations	1,100	300
Expenditures	0	0
Through September 30, 2004		
Obligations	2,100	1,126
Expenditures	0	0
Unliquidated	2,100	1,126
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2005 NOA		
Obligations	1,360	0
Total Planned Fiscal Year 2005		
Obligations	1,360	0
Proposed Fiscal Year 2006 NOA		
Obligations	1,289	0
Future Obligations	2,651	1,527
Est. Total Cost	7,400	2,653

Data Sheet

USAID Mission:	Brazil
Program Title:	SME Growth, Trade, and Poverty Reduction
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	512-011
Status:	New in FY 2004
Planned FY 2005 Obligation:	\$846,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$991,000 DA; \$750,000 ESF
Year of Initial Obligation:	2004
Estimated Year of Final Obligation:	2006

Summary: USAID's objective is to create conditions for greater hemispheric trade and related growth and employment in small scale enterprises, while contributing to poverty alleviation. The program focuses on three essential areas: (1) generating market led growth and employment in small to micro enterprises (SME), since medium scale enterprises are already linking into export markets (2) promotion of the Free Trade Area of the Americas (FTAA); and (3) targeted social safety net assistance to support poverty reduction in the Northeast. Brazil and the United States are co-chairing the FTAA negotiations; USAID is working to improve public understanding of the benefits of free trade in this context. Greater SME participation in trade will both enhance the effectiveness of the anticipated FTAA agreement and contribute to the creation of more jobs and expanded economic opportunities for Brazilian entrepreneurs. USAID recognizes that sustained economic growth in the SME sector is a process that will take time to achieve. In order to assist the eventual beneficiaries until new jobs are created through expanded trade, a social safety net must be put in place. USAID will support the Zero Hunger Program, which is Brazil's flagship social safety net program.

Inputs, Outputs, Activities:

FY 2005 Program: Increase Participation in Global Trade and Investment (\$46,000 DA). To increase free trade activity and enhance market access, USAID will continue to support trade-led growth through SME trade initiatives and free-trade outreach programs to civil society. In conjunction with USAID regional activity for trade capacity building, USAID will fund a Brazilian institution to support in-country trade roundtables and outreach activities. Additionally, USAID will support the Economic Growth, Agriculture and Trade Bureau's activity with the International Trade Center to improve Brazilian trade capacity of targeted trade associations, small producer "cluster" groups, and NGOs to promote practical trade knowledge, skills and market access techniques. This training will promote free trade with Brazilian entrepreneurs, trade practitioners, and policy makers. Principal contractor is Development Alternatives Inc. (DAI)

Increase Private Sector Growth (\$800,000 DA). USAID will continue to support SME growth and participation in export markets. USAID will promote policy reforms to assist SMEs and associations in targeted geographical areas and selected clusters and sub-sectors to access financial services, market information, training opportunities and related assistance. USAID will also promote improved lending methodologies, incentive systems, policies and financial sector reforms to improve access to affordable credit and export services. Selected government agencies, banks, international financial institutions and nongovernmental organizations (NGOs) will be engaged in this effort as partners. Pilot interventions will serve as proving grounds for the policy reforms and technical assistance recommended by a USAID-supported advisory board consisting of public and private and civil society representatives. In addition, the advisory board will lay the foundation for the development of a SME trade "Roadmap" for access to export markets and pave the way for national replication. Principal contractor is DAI.

Protect and Increase the Assets and Livelihoods of the Poor. USAID will continue promoting USDA exchanges between GOB technicians and food security programs in the United States and sponsoring related workshops as well as supporting community-based pilot activities for replication by the GOB and other donors in the Zero Hunger Program target areas. In FY 2005 Brazil will build cisterns and promote

innovative water security for household consumption and agriculture. USAID will seize this opportunity to run solar driven pumps that irrigate community gardens; this activity will provide new mechanisms to provide affordable and nutritious meals to poor residents. Training, micro-credit, and a small grants program will fund community-based income generation activities which have been integrated into this activity. The project will have a direct impact on 13,000 people and serve as a model for national replication by the GOB and other donors.

FY 2006 Program: Increase Participation in Global Trade and Investment (\$100,000 DA). USAID will continue to support free trade and FTAA initiatives through advocacy training and the promotion of practical trade techniques. Together with USAID regional activity for trade capacity building, USAID will support in-country trade roundtables and outreach activities, targeting trade associations to promote trade liberalization policies. USAID will engage public opinion makers, trade specialists, the GOB, and NGOs in FTAA dialogue. The principal contractor is DAI.

Increase Private Sector Growth (\$891,000 DA). USAID will continue its support for the SME growth and employment through trade-led activities and linkages to export markets. USAID will promote policy reforms and assist SMEs and small producer associations in targeted geographical areas. Selected cluster and sub-sector pilot activities will receive increased access to financial services, market information, training opportunities and related assistance. USAID will promote improved lending methodologies, incentive systems, and policy and financial sector reforms to improve access to affordable credit and export services. Selected government agencies, banks, international financial institutions, and NGOs will be engaged in this effort. These pilot interventions will serve as proving grounds for the reforms and technical interventions recommended by a USAID-supported SME project advisory board made up of key Brazilian public, private and civil society institutions. The principal contractor is DAI.

Protect and Increase the Assets and Livelihoods of the Poor (\$750,000 ESF). A USAID-managed cooperative agreement that is developing community-based pilot activities for replication by the GOB and other donors throughout the Zero Hunger Program target areas would be well underway by mid-2005 and a joint USAID-Ministry of Social Development evaluation would be conducted in FY 2005 as well. USAID is hopeful that this program would serve as a model for reducing food insecurity. Specific activities to be evaluated include the provision of cisterns and water security for household consumption and agriculture; the development of community restaurants and gardens; and community-based income generation activities. The impact evaluation would be used to help guide national replication efforts by the GOB and other donors. The key implementer is USDA.

Performance and Results: USAID has sponsored FTAA outreach events in several major industrial cities to engage public opinion makers and industry representatives in discussions on the benefits of free trade. In 2004, USAID conducted outreach seminars in three key cities in the North and Northeast of Brazil that attracted more than 1500 entrepreneurs and students interested in market access issues, financial services, and USAID's SME trade program. These successful seminars specifically targeted SME trade-led growth within the context of an FTAA. USAID conducted three roundtables in Brazil that contributed to expanded dialogue between U.S. officials and Brazilian business and trade experts on trade issues. USAID also sent in 2004 a group of Brazilian Senate staffers to Mexico for an objective assessment of the benefits of the North American Free Trade Act (NAFTA) and free trade in general in that country. Also, USAID sent a group of Brazilian congressional members to California to learn about renewable energy and energy trade related developments.

By the end of the strategic planning period, these activities will have contributed to the following results: by 2006; a FTAA ratified and operational; strengthened U.S./Brazil bilateral relationship; increased SME trade within the hemisphere; increased U.S. access to Brazilian markets; increased public-private partnerships assisting SMEs; improved access to affordable SME trade credit; increased SME employment opportunities; and better targeting of social programs, with more efficient use of Brazilian government resources and increased use of microcredit in the Zero Hunger target areas.

US Financing in Thousands of Dollars

Brazil

512-011 SME Growth, Trade, and Poverty Reduction	DA	ESF
Through September 30, 2003		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Fiscal Year 2004		
Obligations	1,000	750
Expenditures	0	0
Through September 30, 2004		
Obligations	1,000	750
Expenditures	0	0
Unliquidated	1,000	750
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2005 NOA		
Obligations	846	0
Total Planned Fiscal Year 2005		
Obligations	846	0
Proposed Fiscal Year 2006 NOA		
Obligations	991	750
Future Obligations	0	0
Est. Total Cost	2,837	1,500