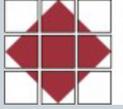


Public Financial Management IDIQ – Statement of Team Qualifications

International Development Group LLC (*Formerly Sibley International*) with:



Louis Berger
Group



The Pragma
Corporation



International Food Policy
Research Institute



Management
Systems
International



Free Balance



Cambridge Resources
International



The Public Financial
Management Group



Association for International
Resource and Development



International Bureau for
Fiscal Documentation



Tribal Helm



Forum One
Communications

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The Team

IDG is complemented by the following organizations on the PFM Team, selected for their competence and experience in PFM technical areas:

Louis Berger Group has broad experience in macroeconomic policy areas, and has carried out activities to strengthen operations of central banks and monetary policies in critical priority regions including Afghanistan, Iraq, and West Bank/Gaza.

The Pragma Corporation offers experience in helping to expand banking services to small businesses, through training in techniques of risk-based and cash flow lending, credit registries and bureaus, development of leasing, and streamlining of administrative procedures, including in Central Asia and North Africa. Pragma provides expertise in tasks related to international trade, and monetary and banking policies so that they are more conducive to economic growth.

The Public Financial Management (PFM) Group will primarily focus on public debt operations and management, bringing 38 years of experience in government finance to bear on this IDIQ.

Associates for International Resources and Development (AIRD) brings expertise in trade policy, capacity building and regional integration, including determining comparative advantage to encourage investments in specific areas using Domestic Resource Cost (DRC) Analysis, led by Dr. Dirck Stryker.

Tribal HELM provides public finance expertise in sub-Saharan Africa and has experience worldwide on budgeting, expenditure, financial accountability and transparency, and fiduciary assessments. In Africa, Tribal Helm advised on budget formulation in Sierra Leone; provided public finance training to the government of southern Sudan; designed a PFM framework for decentralization and a social protection program in Rwanda; contributed to the Country Financial Accountability Assessment in Ethiopia; and designed and integrated performance-based budgeting for the government in Lesotho.

The International Bureau for Fiscal Documentation (IBFD) is an international provider of cross-border tax expertise and independent tax research. IBFD offers advisory services to governments on tax and customs policy, drafting of legislation, tax administration, tax compliance, auditing, collection, appeal procedures, taxpayer communication and services.

FreeBalance is global provider of software solutions to support government modernization, fiscal decentralization, and public finance reform across all levels of government. They provide the information technology and procedures necessary to operationalize PFM reforms, including comprehensive government financial management information systems (GFMISs).

Cambridge Resources International (CRI) is a leader in the areas of public finance, project appraisal, cost-benefit analysis, and tax policy and administration, led by Dr. Glenn Jenkins.

The International Food Policy Research Institute (IFPRI) is a world leader in analyzing food security issues. IFPRI will help to inform sectoral approaches in agriculture, as well as agricultural-related issues within trade and budgeting and improvement of labor market policy and statistics as it relates to agriculture.

Forum One is a digital communications firm providing internet strategy, online community and collaboration, user experience and design, and innovative website development for influential organizations worldwide. They offer IT solutions, including design and implementation of websites, and a “beyond databases” approach using social media for knowledge management.

Management Systems International (MSI) is a leader in international development M&E, public sector management, performance improvement, and organizational strategy.

Overview of the Company and the IDIQ Manager

International Development Group LLC (IDG), formerly Sibley International, is an international development consulting firm that assists donors, governments, and the private sector to create and take advantage of opportunities for sustainable, broad-based economic development and poverty reduction. IDG has been successfully managing complex development projects worldwide for 25 years for USAID and other donors. IDG has had extensive experience managing USAID Economic Growth IDIQ contracts and projects, as a prime holder of the Global Business Trade and Investment (GBTI II) IQC, earlier as a prime holder of Omnibus I and Omnibus II, and also as a subcontractor on Macro II. IDG currently implements, as prime contractor, significant USAID EG projects in Azerbaijan and Tunisia, and, over the last four years, has worked also in Armenia, Lebanon, Liberia, Ghana, Senegal, Nigeria, South Africa, and Macedonia.

IDG has worked across a range of PFM technical areas. In Azerbaijan, IDG has helped the government to improve expenditure management with cost-benefit and project appraisal analysis methods, has strengthened the central bank's abilities to manage its resources and to supervise the commercial banking system using risk-based assessment, has advanced WTO accession, and has introduced Domestic Resource Cost Analysis to identify competitive value chains. In Tunisia, IDG is advising on tax and expenditure policy, and on access to finance. In Lebanon and in Liberia, IDG provided quantitative analysis to inform government decision-making on channeling state resources for regional economic development projects (for the Prime Minister's office in Lebanon and the Ministry of Planning and Economic Affairs in Liberia). IDG is experienced in: managing multiple IDIQ task orders, overseeing task order proposals, rapid project start-up, recruitment, personnel management, capacity building, technical leadership, FAR and AIDAR compliance, and administrative support.

In line with best practice and the U.S. government pursuit to build local capacity, IDG has successfully recruited, managed, and incited teams of local employees and subcontractors, and has engaged actors who share the company's vision to sustain the benefits of implemented American-funded programs.

As a small business prime holder of the PFM IDIQ, IDG can be accessed by USAID offices through direct placement of task orders, without requiring a competition among all PFM holders. This process is described on page 3. Such an action can allow USAID to rapidly procure technical assistance.

IDIQ Manager Dr. David Snelbecker has managed international development programs in Economic Growth and Public Financial Management areas for 20 years. Since 2009 Dr. Snelbecker has served as CEO of IDG. Before that, he worked as Senior Vice President at AECOM International Development (formerly The Services Group). He has advised governments worldwide on revenue and expenditure policy and administration, and on the governance of public and private financial institutions. He holds a PhD in Public Policy from Harvard University's Kennedy School of Government. He speaks fluent Russian, and basic Spanish, German and Ukrainian.

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Small Business Direct Task Order Placement for Fast Project Launch

IDG is a prime holder of the PFM IDIQ through a small business set-aside award. In accordance with the authority granted in the Appropriations Act used to fund the award of this basic contract, USAID may directly place task orders with IDG without requiring a competition among all PFM holders. Direct placement of a task order to IDG can allow USAID to rapidly launch time-sensitive projects in a fraction of the time that a full competition takes. USAID can use this process either to directly place task order to IDG without any further competition, or to place a task order competed only among the PFM small business holders.

The following language from the framework contract governs how this process works:

- “(a) If required, the TOCOR submits the scope of work to the IDIQ COR for review to determine if their requirement falls within the IDIQ scope of work.
- (b) The IDIQ COR provides corporate capability information for the small businesses to the TOCOR.
- (c) The TOCOR reviews the corporate capability information and provides a brief, written recommendation (not a justification) to the TOCO on which contractor he/she recommends for an award. No need to go to the next steps below.
- (d) If corporate capability is equal, the TOCOR will need to follow the established RFTOP procedures below regardless of dollar value.

You may use this exception in lieu of either following the competitive ‘fair opportunity’ process to issue a Task Order or using one of the exceptions to the ‘fair opportunity’ process in FAR 16.505, if applicable.”

USAID may procure services through this process without any special justification, for projects of any size. Directly placing Task Orders to a small business has several advantages for Contract Officers and for Contract Officer Technical Representatives:

- Accessing IDG through PFM; directly placing a Task Order is fast and easy.
- Contract Officer Representatives and Contract Officers are permitted to procure services through this mechanism without any special justification, for projects of any size.
- Direct placement of work to small businesses helps USAID to meet the Agency’s policy objectives of allocating a fair share of work to small businesses.
- Such placement enables USAID to build its portfolio of qualified smaller companies which will ultimately graduate from the set aside program and compete against larger firms, enhancing competitive options for USAID.
- Because the PFM IDIQ already was awarded, the main due diligence on contractors already has been performed, and fair and competitive prices also are assured through the earlier competition.
- Also because the PFM framework contract already is in place, and because no further competitive procurement process is needed in order to directly place a Task Order, this approach can be put into place rapidly and through a less expensive process for USAID/W and missions, without any excessive demands on Contract Officer resources.
- Companies selected for direct placement will be able to focus scarce resources entirely on task development and not divert assets in preparing another competitive bid.
- In sum, direct placement of Task Orders under PFM is an effective means for USAID to quickly tap IDG’s high quality technical assistance.

Public Financial Management

Public Financial Management Risk Assessment Framework (PFMRAF). USAID increasingly is using the Public Management Risk Assessment Framework to assess, analyze and mitigate the risks associated with the partner country's public financial system, which can facilitate collaboration with government counterparts on PFM initiatives while also facilitating increased collaboration with bilateral donors using host country financial systems.

The IDG Team offers services to assist with each of the five stages of the PFMRAF process:

1. Rapid appraisal of the fiduciary risks associated with the host country's PFM systems
2. A thorough risk assessment of the PFM systems in the host country partners that may be responsible for making decisions associated with the USAID assistance and obtaining approval for use of partner country systems (AUPCS);
3. Project design, approval, designation of responsibilities, and selection of funding mechanism;
4. Negotiating and preparing the bilateral project agreement with the partner country government. and;
5. Implementation, monitoring, and evaluation.

Public Financial Management Information Systems (GFMISs) and Technical Assistance.

The IDG Team believes that progress in this area requires, on one hand, cutting-edge software specifically designed for government expenditure management in a developing country context (such as that provided by Team partner FreeBalance), and, on the other hand, a broad array of technical assistance to government staff to ensure that personnel are able to use new software skills effectively. This assistance includes training in use of the software, redesigning expenditure management business processes and procedures, and training fiscal agency and line agency personnel in these revised processes and procedures.

Fiscal Policy and Administration

Tax Policy and Tax Administration. Improving tax policy and strengthening tax administration will remain core fiscal areas for USAID assistance in many countries. For many countries, the value-added tax (VAT), particularly as applied to domestic production, will be the most significant source of increasing revenues in coming years, as emphasis on border and income taxes declines. Tax burden on labor is high in developing countries given income levels causing unemployment, informal and underground commerce, and distorted labor markets. Reforms in countries with large informal sectors will aim to simplify business taxes for small firms so as to broaden the tax base without placing an onerous compliance burden. Beyond these policies, tax administration efforts funded by USAID may focus on procedures and systems (IT and otherwise) within tax administrations to make them more efficient as well as on public outreach to broadly educate taxpayers to encourage voluntary compliance.

The IDG Team can provide assistance in addressing these important tax issues, drawing on our extensive experience improving tax policy and strengthening tax administration. Under the Azerbaijan Competitiveness and Trade Project, the IDG Team addresses tax policy framework including VAT, corporate tax, personal income tax and high payroll taxes that discourage SME employment generation. The team has also prepared a comprehensive analysis of tax issues, with recommendations and action plan, which are expected to lead to proposed revisions of the Tax Code. These activities include presenting recommended amendments to the Tax Code and the design of a comprehensive program of reforms in tax administration for the Ministry of Taxes. Under the Business Environment Improvement Project, Pragma partnered with the Kazakh Taxpayers Association to prepare and present to the Tax Committee key recommendations for improving the tax administration policy/procedural framework, including the introduction of improved risk management systems based on which the Government developed key targeted amendments to the Tax Code. The International Bureau for Fiscal Documentation (IBFD) is recognized as a world leader in VAT research, including through their extensive VAT Database, and can lead any work in VAT that USAID requires such as addressing problems with VAT refunds, synchronizing credit and liability rules, and managing the reduction of thresholds and elimination of loopholes to bring more firms into the VAT net.

Budget Formulation Processes. USAID's work in expenditure policies will focus on providing assistance to improve budget formulation processes for host countries in recurrent budgets, as well as planning for capital budgets through sectoral policies. It is likely that USAID projects will focus on measures that will improve budgeting and will be sustainable in the conditions a country likely will have over a several-year horizon, tailored to the capacity of the country; for example, low-capacity countries will focus on the basics, while higher capacity countries will be assisted in cutting-edge and innovative planning techniques such as dynamic fiscal policy. Where appropriate and requested by USAID, the Team can also provide assistance in donor coordination, especially in budget planning. Team member Tribal HELM's experience will come to bear in this area, as it currently works with the Ministry of Economy and Finance in Kosovo to improve the quality of the budgeting and planning processes for EU funds. Helm has also advised on budget formulation in Sierra Leone, provided public finance training to the government of southern Sudan, contributed to the Country Financial Accountability Assessment in Ethiopia, and designed and integrated a PFM reform program including performance-based budgeting for the government in Lesotho.

Fiscal Decentralization. It is anticipated that assistance in this area will seek to harmonize tax policies across levels of government, examination of fee-setting and revenue collection at a sub-national level, and incorporating fiscal federalism plans into the budget process. The IDG team can provide assistance at national and local levels to equip national and local governments with analytical decision-making tools necessary for fiscal decentralization. Team member Tribal Helm assessed PFM capacity for state and

local governments in Nigeria and made recommendations and provided the Government of Rwanda with a PFM framework for decentralization and a social protection program. Similarly, member FreeBalance will put into place and train on software solutions for public financial management, providing solutions that support government modernization, fiscal decentralization, and public finance reform across all levels of government. Their work will be concentrated on the information technology and procedures necessary to operationalize PFM reforms. In parallel, or separately, the Team can help to put into place and train on internal audit procedures, and treasury management processes for recurring expenditures (as done by USAID in Montenegro at the municipal level). Tribal HELM's expertise in financial controls, as evidenced by their implementation of the first and second phases of the European Commission's support to Kosovo's Public Internal Financial Control program, can play a role in these interventions.

Public Procurement. USAID's assistance on public procurement reforms will continue to promote improvement of appropriate laws, regulations, and codes of conduct (conflict of interest, tender processes and handling, information security), implementation of procurement systems, assistance with procurement agencies/committees/institutions, and safeguards and oversight after awarding contracts. Additionally, e-procurement can form an important means for making the procurement process more efficient and less corruptible, as has been seen in USAID work done already in Albania and currently underway in Kenya. The IDG Team can provide assistance in these areas. In Azerbaijan, IDG drafted Amendments to the Law on Public Procurement, to bring it in line with UNCITRAL, WTO GPA and EU objectives to assist SME access. These amendments are currently being reviewed by various ministries. In South Africa, Louis Berger provided services to improve transparent infrastructure procurement within municipalities for basic services with the Construction Industry Development Board (CIDB). Under this program, more than 1,300 officials and municipal service providers have been trained with ISLGS TA and CIDB cost share.

Customs Duties and Customs Administration. Already a major implementer in USAID activities dedicated to revenue enhancement, the IDG Team anticipates working with countries to reform customs duties, to broaden revenue, comply with WTO and other trade integration objectives, and improve the business environment. Customs administration assistance will focus primarily on supply chain security, increasing speed of customs clearance, reduction of number of procedures and burdens (including opportunities for rent-seeking), customs reporting and the ICT necessary to support (including ASYCUDA and other internationally-accepted customs software), risk management, anti-corruption procedures and training, and better integration with Ministries of Revenue and Finance, and with international trade policy.

The IDG team is prepared to provide assistance in these areas. In Azerbaijan, IDG drafted regulations needed for the implementation of the Customs Code as part of the ACT Project. Pragma has assisted Central Asian countries through its work with USAID in WTO accession, customs reform, and standards setting while member Louis Berger has also provided WTO Accession Procedural Assistance in Iraq, Bangladesh, Armenia and other countries including preparation of a Memorandum on Foreign Trade Regime, development of WTO compliant legislation and harmonization of customs and tariff regime.

Natural Resources. With respect to natural resources, a major source of non-tax revenues, USAID will continue assisting governments in several areas: analyzing and planning for long-term revenue and expenditure streams related to natural resource exploitation; fiscal and financial control issues related to creating carefully-managed petroleum or other funds (like in Norway, Alaska, or the Middle East) and the institutions associated with these funds; negotiating terms of concessions or production sharing agreements; and maximizing spin-off investment and job creation opportunities from related foreign investments. Particularly important is advising countries on how to avoid Dutch Disease—the negative macro effects that natural resource wealth can bring.

IDG recently completed a project in Liberia for USAID and the Ministry of Planning in Liberia that identified investment opportunities in agriculture and non-agriculture at the feasibility and pre-feasibility stages. IDG advised on elements of sound public and private investment planning and management that are important if Liberia is to successfully manage its natural resources and corresponding revenues. Louis Berger worked with the Ministry of Finance in Afghanistan to develop prioritized project cost and budget estimates for all infrastructure and natural resource sectors for 2009 – 2013 for the Afghan Government's delegation to the Donor's Conference in Paris in 2008.

Pension Reform. IDG can provide a comprehensive range of assistance in the area of pension reform, addressing fiscal, social, legal, regulatory, institutional, and political issues. IDG's approach includes assisting governments with both aspects of a successful pension reform—getting the policy directions theoretically correct, and then addressing all the details of implementation so that the theory is achieved in practice. IDG's CEO David Snelbecker led a comprehensive pension reform assistance effort in Kosovo for USAID, replacing the old Yugoslav-era, fiscally unsustainable pension system with a new three-tiered system that includes a uniform benefit paid to all elderly funded from general revenues, and creation of the Kosovo Pension Savings Trust to invest contributors' assets in international markets. The reform reined in near- and long-term public fiscal imbalances, introduced a total tax rate on labor (personal income tax plus pension contributions) that is the lowest in all Europe (East and West), and established a soundly operating, funded pension institution that offers the lowest administrative costs of any such universally mandated system in Europe (costing now only 65 basis points as a share of assets, compared to 150-200 or more basis points in much of Europe). The Kosovo system is one of few not substantially rolled back after the recent world financial crisis.

Cost Benefit Analysis/Public Investments for Capital Budgets. USAID and government counterparts have shown an increased interest in cost-benefit analysis and other rigorous techniques to assess the relative merit of public investment opportunities. Such analysis is used by Government agencies to choose from among potential investment projects those that will produce the most benefits for society. The IDG team can develop cost-benefit and project appraisal skills within government entities responsible for overseeing public investment and developing project proposals. The IDG Team will provide assistance on the following topics: *financial modeling* (a model of future cash flows, compared to alternatives); *economic analysis* (a measurement of the costs and benefits of a project for the economy as a whole); *stakeholder impact assessment* (which helps identify stakeholders expected to be displeased with the project if they fear a worse position than under the status quo); *risk analysis* (to estimate costs even when estimates made in planning projects underestimate costs and construction times); and *project finance* (assessing the cash flow that will be accessible to creditors).

Team member CRI, directed by Dr. Glenn Jenkins, is a leading thinker and expert in the areas of public finance, project appraisal and cost-benefit analysis and will continue providing training on cost-benefit analysis for public investments for capital budgets, to both USAID/W and /Missions as needed, and to government counterparts. IDG and CRI have been implementing cost-benefit training in Azerbaijan for line ministries, local universities, and think tanks, including curriculum development in cost-benefit analysis at the undergraduate and graduate level. For USAID's Public Expenditure Reform Support Project, CRI carried out a project that involved a series of three training programs on Project Modeling, Investment Appraisal, Economic and Stakeholder Analysis for civil servants from Ministry of Economic Development and relevant line Ministries in Azerbaijan. In Tunisia, CRI designed a training program of four weeks duration in Investment Appraisal and delivered it to 50 professional staff of the AfDB; curriculum covered Project Modeling, Financial Analysis, Economic Analysis and Stakeholder Analysis.

Public Finance, Public Debt Operations and Debt Management

Debt Policy and Oversight. The IDG Team believes, following OECD guidelines, that government debt issuance procedures should be designed to meet the interests of both issuers and financial market participants. We anticipate this component will relate debt policy closely to other work in fiscal policy, especially in revenue and expenditure policies over the medium and long-term, as well as harmonization of debt oversight mechanisms with regular budgeting and reporting and improving the creditworthiness of issuing national and sub-national governments. The IDG team can employ analytical policy tools such as over-lapping generations (OLG) fiscal models that help governments with economic planning and fiscal management to maximize long-term growth and welfare by adjusting debt levels, taxation and spending.

Mechanics of Debt Issuance and Management. The IDG Team offers services in the following areas: establishing a primary dealer network; developing a calendar of regular issuance; establishing “on-the-run” or benchmark issues; assisting in the development of a secondary market; design and oversight of auctions; and, where applicable, institution of electronic trading. Team member PFM Group is especially well-placed to offer assistance in this area, having overseen the largest amount of municipal long-term new debt issues in the United States in 2010. PFM Group has served every level of municipal bond issuer, including states, territories, authorities, counties, municipalities, townships and school districts. Its approach consists of helping governments analyze existing debt in terms of specific needs, constructing the optimal debt issue, and launching the issue in appropriately aligned markets.

Monetary Policy, Banking, and Central Bank Operations

Measurement, monitoring and control of monetary aggregates, inflation and interest rates.

Real and meaningful progress has been made in most USAID beneficiary countries in rationalizing macro policy, to a considerable extent from previous USAID programming. The criticality of low inflation and stable exchange rates is universally recognized. Consequently, there is much less to be achieved in these policy areas. Nonetheless, some issues remain. Particularly in post-conflict and post-disaster countries, where a central bank may be newly created or significant staff levels may be new to their jobs, assistance will be needed in several areas: monetary policy during rapidly changing economic conditions; introduction of a new currency (policy and logistics); revenue management (ensuring that revenues are safely and efficiently invested); and cash management (physical maintenance and safeguarding of cash in vaults).

The IDG team can provide assistance in the following areas: collecting and reporting data on cash in circulation, demand deposits, savings deposits, money market deposits (if any); collecting and reporting data regularly on consumer price index and wholesale price index (aggregated and also disaggregated to include or exclude key sectors like energy and food, for various analytical purposes); determination of the consumption basket; reporting and communication of interest rates set by the central bank; collection of data and monitoring of interest rates set by markets and banks; training in macroeconomics and monetary theory; and strengthening macroeconomic analysis capability. The Team is also well placed to provide this assistance to USAID, as it is experienced at placing long term advisors in finance ministries to aid with these policy formulations and to provide governments with ammunition to use in the policy dialogue with the IMF. Team member Louis Berger has placed such advisors in Armenia and East Timor. With regards to **measurement, monitoring and control of monetary aggregates, inflation and interest rates**, for the Palestinian Monetary Authority, Berger has evaluated the advantages and disadvantages of alternative monetary regimes should Palestine become a sovereign entity.

Bank supervision; macro-prudential supervision; risk assessment and management; Basel II and III. The IDG Team can assist USAID in promoting cooperation of supervisory bodies (bank and non-bank) to identify and address systemic risks and risks at the level of individual banks and NBFIs (identified with the help of improved risk-based supervision systems). This work can entail advising on policies, upgrading IT systems within supervisory entities and market actors, assisting to develop algorithms for identifying risk, and training staff in supervisory entities and financial institutions. The Team may also assist with stress tests of financial institutions implementing compliance assessments with Basel Core Principles, following IMF guidelines for such assessments, if USAID devises projects in this direction. Countries that have made progress in the basics of bank supervision can be helped in other areas, including improvement of NBF supervisory bodies (which generally have less capacity and experience than bank supervisors) and development of deposit insurance systems where desired.

IDG's project in Azerbaijan is supporting the Central Bank of Azerbaijan to introduce risk-based methodologies into its bank supervisory activities, and to introduce activity based management (ABM) across the bank for its own internal resource management. In Afghanistan, Louis Berger introduced new software into the central bank to manage its flow of funds accounts. In Tunisia, IDG is advising commercial banks and the central bank on ways to increase lending to the private sector while at the same time increasing stability and monitoring of the financial system.

Anti-money Laundering. Most countries receiving USAID assistance have made efforts to respond to international calls to step up efforts to undertake and coordinate anti-money laundering (AML) activities, and most if not all have collaborated with US Treasury AML programs. Nonetheless, much remains to be done in order to strengthen and harmonize these actions.

The IDG team can provide assistance in the following AML activities: strengthen and reorganize financial intelligence units (FIUs); training FIU staff in: identifying high-risk sub-sectors, institutions, and types of transactions; compiling evidence into documentation needed for enforcement authorities to carry forward an investigation; liaising with commercial banks, training in rules and regulations, and training in Know Your Customer practices; and training where necessary staff to become Certified Anti-Money Laundering Specialists (CAMS); improving coordination with cross-border institutions; designing and advising on automation needed to detect illicit transactions in the financial system; and providing training to commercial bank managers in Know Your Customer practices. In Azerbaijan, IDG is strengthening the Financial Monitoring Service Unit in anti-money laundering techniques in the central bank. In the West Bank, Berger assisted the Palestinian Authority and Palestine Capital Markets Authority in building sustainable capacity to combat money-laundering activities in the banking and non-bank financial sector including the start-up of the Financial Follow-up Unit.

Trade and Exchange Rate Policy

Building on USAID's work in programs such as the recent Trade Hub in Southern Africa, the Trade Facilitation and Investment Project in Central Asia implemented by Team member Pragma, and the Azerbaijan Competitiveness and Trade Project implemented by IDG, the IDG Team will endeavor to advance momentum in favor of trade expansion while focusing on the future trends in technical issues that USAID and countries will face over the next decade.

Bilateral and Regional Trade Agreements and WTO Accession. A top priority for USAID will continue to be assistance with WTO accession issues including adoption of laws and compliance with standards, as well as assistance with conclusion and implementation of bilateral and regional trade agreements.

IDG can provide advisory services to promote policies for improved trade environment, including regional trade agreements and WTO accession. IDG can assist governments with key legislation and implementing rules and regulations necessary to comply with WTO systemic requirements (SPS, TBT, TRIPS, Customs, GATT, Import licensing, and trade remedies) to achieve successful WTO accession. The IDG Azerbaijan ACT project has drafted regulations needed for the implementation of a Customs code, which establishes a model framework for customs activities in the country and is in line with World Customs Organization and WTO provisions. Louis Berger has also provided WTO Accession Procedural Assistance in Iraq, Bangladesh, Armenia and other countries including preparation of a Memorandum on Foreign Trade Regime, harmonized customs and tariff regime, technical barriers to trade (TBT) and services on related issues.

Sanitary and phyto-sanitary (SPS) standards; Technical barriers to trade (TBT). Trade agreements require knowledge beyond economics, including knowledge of biology and environmental science, in order to institute appropriate sanitary and phyto-sanitary standards to protect fragile and isolated ecosystems. These policy and administrative issues surrounding trade require capacity at the government level that is absent in many countries; troublingly, many countries enter into trade agreements with little knowledge of their actual obligations, and need to be educated on compliance with major trade bodies such as the WTO. Addressing these capacity constraints will continue to be key priority to USAID's activities promoting WTO compliance and other trade integration objectives.

IDG can provide advisory services in technical issues related to trade, including intellectual property rights, technical barriers to trade, sanitary & phyto-sanitary measures, and standards and metrology. In Azerbaijan, IDG is implementing the Azerbaijan Competitiveness and Trade Project, a flagship USAID Economic Growth Project that is supporting government in meeting international trade and investment standards and implementing relevant legislative changes; assisting the process for acceding to the World Trade Organization; and supporting government and civil society in quantifying the impact of international trade reforms. Project activities also include harmonizing food safety standards in Azerbaijan with Codex Alimentarius and IPPC (International Plant Protection Convention) standards to improve compliance with international safety requirements and quality standards and developing a harmonization and conversion plan for converting mandatory requirements to technical regulations and voluntary standards. The project is supporting the establishment of a food safety strategy in the country to clarify roles and responsibilities, develop capacity and modernize the food safety system beyond just food security. This includes, for example, building capacity of food agencies (Veterinary Department, Phyto-sanitary Department, Ministry of Health, Standards Committee, Ministry of Economic Development) to introduce risk-based inspections, utilize pesticide MRLs (maximum residue limits) and test methodologies in line with CODEX, and introduce ISO 17025 in state laboratories for accreditation of priority test areas to further support exports.

Trade facilitation. Inclusive growth strategies in the context of regional and global integration depend on the opening of markets to trade and investment and the adaptability of economies to these circumstances. Frameworks for legal and institutional reform enable investment, tech transfer, SME growth and exports. Within these there are specific constraints to trade and investment which must be addressed. These include the institutional capacity for transition to a market economy- including fiscal and monetary policy reforms, participation in international trade agreements, financial and investment support institutions, economic and financial information gathering, market analysis and reporting systems, product harmonization with international standards and management systems, entrepreneur capacity, marketing experience, and market preparedness including tech transfer, education and training. Many developing countries remain on the margin of global economic integration, institutionally and legally incapacitated from attracting trade and investment because of the constraints mentioned above. Foreign assistance aimed at facilitating trade will seek to make improvements in these areas.

Illustrative activities adopted by the IDG team to promote trade facilitation include supporting government ministries and non-governmental think-tanks for trade-related research (revealed comparative advantage and Balassa indexes, DRC, CBA, trade flow modeling, anti-dumping analysis, revenue impact assessment); analysis of institutional and regulatory issues affecting trade and investment; collaborative approaches to trade expansion including public-private partnerships; trade corridors and transit cost analysis and policy assistance with investment promotion and design of pro-investment legislation.

IDG Team member AIRD will utilize its highly rigorous Domestic Resource Cost Analysis (DRC) methodology to determine comparative advantage and use this to encourage investments in specific areas as done in Rwanda, Liberia and Azerbaijan. DRC is an indicator of the efficiency with which scarce domestic resources are converted into value added in world prices through exports or by substituting domestic production for imports. In Liberia, IDG worked with the Ministry of Planning and Economic Affairs to assist with the development of export strategies and in corridors to use DRC to identify and support value chains in key sectors.

Intellectual Property Rights. Protection of intellectual property rights is critical in developing countries to ensure access to new technologies and to promote private-sector growth. Such protection not only is often an obligation for countries as signatories to multilateral trade agreements but also is important for domestic producers of intellectual property. The IDG Team can assist in drafting law and regulation consistent with international standards and obligations; advocacy to build local support for such protections; public education on such law and regulation once adopted; and training to commercial courts in enforcement.

Macroeconomic Policy Coordination / Integration

A major theme of our implementation will be the necessity of integrating PFM projects with broader government goals and processes. In its projects, the IDG Team emphasizes the poverty effects of macroeconomic policy, and how all the resources of government can be marshaled across disciplines towards broader poverty reduction goals. Similarly, a major priority of our approach is donor coordination, in order to ensure that the international donor community is helping to move countries along a sustainable path on a broad front. As an example, the final report prepared under IDG's USAID/Liberia Corridors Development Project that identified agricultural and non-agricultural investment opportunities along two of Liberia's growth corridors formed the basis for the Ministry of Planning 2011 Economic Forum which attracted international economists, policy makers, urban planners, infrastructure experts and bi-lateral and multi-lateral donors to discuss opportunities and challenges to Liberia's rapid economic development. As a part of its poverty reduction strategy, the GoL strives to become a middle-income country by 2030 and the corridors study is tied to this overarching national goal.

The IDG Team can advise governments at the highest levels, including the offices of prime ministers and presidents, or ministries of finance or economy, on conceptualizing and leading broad-based macroeconomic reform efforts. Such reform programs can be tailored to each country's political context – post-conflict, transition, new government, etc.

Labor Market

Macroeconomic policies have an immediate microeconomic impact on the key issue facing most of the world's population: the need for employment. We anticipate an emerging need for assistance in the following areas: strong rural development programs to help spread development more evenly and provide rural livelihoods as an alternative to migrating to the cities; a focus on country-specific employment policies to encourage labor mobility and help combat high unemployment; assistance to develop technical abilities in relevant Ministries, including labor market statistics and analysis, in order to measure the labor market and identify skills that are needed by employers; collaborating with employment bureaus and retraining programs, to provide vocational training to prospective employees and improve service delivery; removing barriers to entry for small and medium enterprises (SMEs) and regulatory reform to decrease the size of the informal economy and bring more sole traders and small businesses into formal networks; reviewing basic employment legislation along the lines of the World Bank's Doing Business methodology, examining where interventions can help speed up the process to hire a worker and/or lessen the costs to employers for finding new employees; improving linkages between labor market institutions and information and the educational sector, in order to assist in planning of vocational education and training; reducing or eliminating gender specific barriers in a country's labor market and assistance in both legal/regulatory reform and service delivery targeted at women; developing communication tools to bring together the unemployed who may have specific skills with private sector firms looking for those skills.

IDG can provide assistance in addressing labor market issues. Currently, IDG is leading the Workforce Development Component of the Armenia Economic Development and Market Competitiveness Project. IDG is working with existing local institutions; improving curricula, policy, and information distribution at the national level through the Ministry of Education and the National Center for VET Development; arranging for VET services to be provided directly within value chains; improving labor market data and analysis; improving job-matching websites; and assisting private for- and non-profit employment services providers. Similarly, in Tunisia, IDG is strengthening Tunisia's ICT workforce by partnering with companies to improve training opportunities linked to job placement; improving workforce skills to increase employability; supporting enhancements to ICT higher education to better meet the needs of employers; co-financing skills gap training for job candidates and developing labor market supply and demand data and create employment events. IDIQ Manager David Snelbecker managed the Social Protection Systems Strengthening (SPSS) Project in Armenia, which covered strengthening of the employment agency in Armenia and assistance to both the Labor Inspectorate and the National Institute for Labor and Social Research (NILSR). Additionally, Louis Berger has conducted studies in Iraq to provide recommendations and strategies for coping with labor redundancy in State-Owned Enterprises as privatization moved forward. They are also familiar with identifying job creation potential, having prepared a Competitiveness Analysis Study to highlight 10 economic sectors with opportunities under the Izdihar Project in Iraq.

Sectoral Policy

While Finance Ministries and Central Banks tend to have the highest capacity within government for policy and administration, this is often not true at some of the technical or line ministries. This uneven capacity can be problematic for implementing pro-growth, pro-poor strategies, and reform initiatives must focus on addressing this. This will include a focus on specific sectors that are most important for growth, including transportation.

The IDG team brings extensive experience in sectoral assessments and is prepared to adopt new methodologies to assess sectoral policies and to provide targeted and specialized assistance, especially in the areas of transport, telecommunications, energy, and infrastructure, which are all incredibly important for aggregate growth. Most recently in Liberia, for the Economic Corridors Project there, IDG assisted the GoL and USAID in carrying out a field study that will feed into its overall strategy for developing economic corridors spanning several countries and enhancing opportunities for trade, investment and agriculture. The assessment used quantitative and qualitative analysis to develop a framework for a comprehensive growth corridor strategy that will then feed into Liberia's National Vision, led by the Ministry of Planning and Economic Affairs, which aims to transform Liberia into a middle income country by 2030. The information collected via surveys, stakeholder meetings, site visits, interviews, document reviews, etc. were used to develop over a dozen project ideas, mostly agriculture based, recommended as high priority intervention areas to facilitate rapid economic growth based on profitability, employment generation capability, and feasibility. The project also identified the appropriate level of rehabilitation needed on primary infrastructure networks along the corridors, including the potential for private sector participation. Currently, in Tunisia, IDG is applying a rigorous Domestic Resource Cost Analysis (DRC) and related qualitative analysis tools to determine the ICT value chains with the strongest growth potential, and leverage Tunisia's unique geo-locational advantages as a platform for reaching both European and African markets to drive increased FDI and job creation in the defined value chains.

Team member Louis Berger worked with the Ministry of Finance of the Government of Afghanistan to develop prioritized project cost and budget estimates for all infrastructure and natural resource sectors for 2009 – 2013 for the Afghan Government's delegation to the Donor's Conference in Paris in 2008. Louis Berger also evaluated the USAID/Tanzania Rural Roads Program in Tanzania's Southern Highlands via extensive fieldwork, including road user surveys, focus group discussions and key informant interviews with District-level government staff. While the exact sectors and geographic focus will differ from country to country and task order, the Team will utilize cutting-edge tools to assist in analysis, including techniques such as AIRD's DRC model for agriculture (utilized successfully in Rwanda and Liberia), sector gender analysis as mandated by DANIDA across its projects (and in keeping with the Paris Declaration), and studies of obstacles to growth such as those supported by the World Bank's Doing Business approach. Team member IFPRI, a world leader in food security issues, will help to inform sectoral approaches (especially in agriculture and budgeting focused on resources), as well as agricultural-related issues within trade and budgeting and improvement of labor market policy and statistics int relating to agriculture. In Africa, IFPRI has implemented the Strategic Analysis and Knowledge Support Systems (SAKKSS) to support USAID's Initiative to End Hunger in Africa; SAKKSS helps to inform the design, implementation, and monitoring and evaluation of rural development strategies.

Competitiveness

IDG can provide advisory services to make countries and firms more competitive in their industries, in the national and the international marketplace, and that in general enhance their performance as the engines of economic growth in emerging markets. IDG promotes a market-driven approach, first identifying products and services in demand domestically or internationally, and then helping firms to produce them more efficiently, meet quality standards, client requirements and delivery deadlines. IDG works with firms and clusters to identify solutions leading to sustained improvements in enterprise performance through tailored services for firms, business development service (BDS) providers, associations, and other value chain participants.

The ACT project implemented by IDG in Azerbaijan is a competitiveness and trade project that aims at improving the domestic business environment, improving agricultural value chains and improving the trade environment. IDG completed a corridors development project in Liberia that identified agriculture and non-agriculture investment opportunities along the Buchanan-Yekepa, Monrovia-Ganta and Monrovia-Buchanan corridors. The team assessed constraints and opportunities in the business environment (agriculture & non-agriculture), the enabling environment and key issues in corridor development, and developed specific investment opportunities to provide new jobs, incremental income and growth. IDG is also leading the Tunisia ICT Competitiveness Project aimed at promoting entrepreneurship and assist SMEs in select sectors using a three-pronged approach: stimulate ICT entrepreneurship and company development, growing and developing the workforce, and developing ICT policy and regulatory reform. The USAID/Lebanon Tripoli Special Economic Zone Project recently completed by IDG consisted of creating a feasibility study for a Special Economic Zone and a best-practice Master-Plan based on a demand forecast. IDG is using project appraisal techniques in its financial and economic analyses of the zone to attract investors by demonstrating positive internal and economic rates of return. IDG approached TSEZ from a comparative cost perspective by contrasting the cost of doing business in the zone with that in comparable zones in Europe, Jordan, UAE, Egypt and China. This analysis included examining infrastructure and ICT to determine the need and how to provide quality at competitive costs.

IDG and many of its Team members have extensive experience in all aspects of competitiveness technical assistance, advising government on improving business enabling environments and assisting the private sector to improve their management and technologies, access finance, and reach new markets.