



# U.S. Trade Capacity Building in the Americas



N O V E M B E R 2 0 0 2

*“The hopes of all our peoples, everybody who lives in this hemisphere, no matter where they live—lie in greater freedom. Free markets and open trade are the best weapons against poverty, disease and tyranny.”*

President George W. Bush  
JANUARY 16, 2002



# U.S. Trade Capacity Building in the Americas



The U.S. government is committed to providing trade-related technical assistance to developing countries in the Americas so that these countries participate fully in important trade negotiations, such as the Free Trade Area of the Americas (FTAA) and the World Trade Organization's (WTO) Doha Development Agenda, and trade effectively in a global environment. In fiscal year 2002, U.S. trade capacity building assistance to the Americas totaled over \$90 million, up from \$61 million in 2001, a 49-percent increase (see table on page 19).

## HIGHLIGHTS OF PROGRAMS IN THE AMERICAS

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**Support for Transportation Networks:** The Pan American Institute of Highways (PIH), with funding and guidance from the U.S. Federal Highway Administration, serves as a network that links road and transportation organizations throughout 22 countries of the Americas and Spain. The network includes 90 technology transfer centers that promote improved planning and management of operations in government and private sector organizations associated with the transportation field; facilitate training and increase horizontal technology transfers among PIH centers; improve maintenance and management practices of existing transportation system infrastructure; and encourage innovative technology research. Improved road maintenance and better asset management saves money and facilitates trade.



**Trade Enhancement for the Services Sector:** In response to developing countries request for a better understanding of trade in services, USAID's new program, Trade Enhancement for the Services Sector (TESS), offers a variety of tools, including training, diagnostics, and other technical assistance.

- Discrete analytical studies will be conducted relating to the role of services in trade, competitiveness, service sector capacity development, and trends in service-related sectors.
- A training module for service sector trade liberalization will be developed, outlining relevant issues, approaches, and resources to be used by USAID in its ongoing training activities.
- Four regional trade seminars will be developed focusing on services sector trade issues, solutions, and technical resources on a national or regional basis for that region. These may include regulatory, policy, or competitive issues specific to that region. The audience for these seminars will be Bilateral Mission personnel, governmental counterparts, and private sector participants in the services sector.

**Intellectual Property Rights:** Several U.S. Government agencies and U.S.-based industry cooperate to provide technical assistance and training to officials of FTAA-member countries, advising the judiciary and educating business people, journalists, and academics about the importance of protecting intellectual property rights (IPR). Examples of projects include:

- IPR enforcement training in Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, and Paraguay;
- Trademark and Geographical Indications training in Guatemala;
- Classifying Logo Designs training in El Salvador; and
- Copyright Enforcement Seminar in Brazil, focusing on motion picture, computer software, and sound recording industries, demonstrating a variety of discovery techniques.

**Telecommunications:** The U.S. Government's Telecommunications Leadership Program (TLP) provides training and technical assistance to developing countries in telecommunications policy and regulatory reform. TLP's goal is to help developing countries establish sound, market-based telecom and information technology policies and practices. Most commonly, TLP funds important telecom/information technology workshops in developing countries, including travel for developing country officials and U.S. Government experts to participate in the events. For example, TLP helped fund the U.S. Department of Commerce's Telecom Policy Workshop for Caribbean officials, which took place in Barbados in April 2002.

## TYPES OF TRADE CAPACITY BUILDING ASSISTANCE

The United States provides trade capacity building assistance to help other countries more fully participate in the global trading system. Trade capacity building programs help develop the organizational structures that allow countries to engage in a rules-based trading system. This type of support is a key part of the U.S. government's commitment toward an open trading system that creates opportunities for all of the countries of the hemisphere. The types of assistance include the following:

<b>WTO Awareness and Accession</b>	To provide a basic understanding of the WTO Agreements, helping accession candidates to identify changes to laws, regulations, policies, and procedures necessary to complete negotiations on the terms of WTO membership.
<b>WTO Agreements</b>	To support countries' efforts towards compliance and implementation, including institution building so that developing and transition countries may reap the benefits of membership.
<b>Trade Facilitation</b>	To lower the costs of engaging in international trade, assistance to business support agencies and market development services, private business organizations, information services, and technology transfer.
<b>Human Resources and Labor Standards</b>	To help workers participate in the gains from trade and protect their rights in trade-related sectors, support for workforce skills development, worker rights and labor standards, elimination of child labor exploitation, and gender bias.
<b>Financial Sector Development</b>	To help make financial systems responsive to the needs of trade, reforms in banking and securities markets, and implementation of laws and regulations that protect and promote trade-related investment.
<b>Trade-Related Infrastructure Development</b>	To build the physical capacity to conduct international commerce, support for trade-related telecommunications, marine ports, airports, and related facilities.
<b>Environment</b>	To assure that trade is environmentally neutral or positive, to make efforts to improve environmental regulations and standards, to build capacity to conduct national reviews, and to promote sustainable development, including through the transfer of environmental technology.
<b>Competition Policy</b>	To assure that participation in international trade is conducted on an equal footing and benefits consumers, support for developing and strengthening antitrust laws and eliminating local monopolies.
<b>Agriculture Development</b>	To extend the benefits of trade to rural sectors, support for trade-related aspects of agriculture technology development and agribusiness.
<b>Services</b>	To help developing and transition countries engage in international services trade, and support for the services sectors in those countries.
<b>Governance and Interagency Coordination</b>	To make government trade programs more accountable, trade policies and regulations more transparent, and to improve planning and communications among government agencies working in trade policy formulation and implementation.



**Inter-American E-business Fellowship Program:** Long-term U.S.-Latin America business partnerships, along with cutting-edge business practices, enhance the region's competitiveness in the global marketplace. In response, U.S. corporations have provided over 5,000 hours of high-quality training to Latin American technology leaders under the Inter-American E-business fellowship program. Announced by President Bush at the Summit of the Americas in April 2001, this Commerce Department and U.S. Trade and Development Agency (TDA) sponsored program brings a group of up to 20 Latin American e-business managers to the United States for one month of training on e-business management at U.S. host companies, including Microsoft, General Electric, Wal-Mart, and others.



*Commerce Secretary Don Evans (center) with the Inter-American E-Business Fellows. September 2001*

**Environmental Assessments:** USAID has a program which engages non-governmental groups, working with governments and civil society, in key FTAA countries in an effort to build capacity to produce assessments that identify possible negative and positive environmental impacts that are important for national priorities in the FTAA negotiating process and deepen the dialogue in the Americas about the positive relationship between trade liberalization and environmental protection.

**Development of Policies, Programs, and Facilities:** The U.S. Department of Agriculture (USDA) assists countries in the region with policies and infrastructure needed to foster investment and enhance trade opportunities, most often in collaboration with USAID. Providing assistance in the area of food safety and related issues improves the quality of food for all consumers in the hemisphere.

- USDA staff helped to develop a new Caribbean SPS assistance program and manage the Caribbean Food Safety Initiative.
- USDA provided support to develop food safety leadership skills throughout the region, including organizing a workshop in Puerto Rico for officials involved with trade standard-setting issues.
- Collaborating with the Nicaraguan Association of Producers of Non-Traditional Ag Exports, USDA helped to upgrade the cold storage facilities at the Managua International Airport.
- USDA helped to develop a hydrothermic mango treatment/packing facility in Comayagua, Honduras, to open trade opportunities.

- USDA, with both USAID and World Bank funding, also fostered improved marketing procedures and agriculture statistics and information systems, which assist with agricultural policy development and create an environment to support foreign investment.

**Cold Chain Improvements:** Several countries receive assistance to help improve their infrastructure to maintain the appropriate temperature of food in the supply chain, from a port or farm gate to the dinner plate. This includes cold chain conditions assessment, introductory seminars and training, and consultation with individual companies by experts from the U.S. private sector. Countries involved since 1999 include Argentina, Brazil, Colombia, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, and Venezuela.



**Collaborative Research on Trade-Related Topics:** Food pathogens and parasites detection assistance aids countries with food safety, inspection, and hazard analysis and control processes. USDA-supported collaborative research develops low-cost methods to reduce post-harvest losses, increase the shelf

life of produce, control fruit flies and plant and animal diseases, and improve the nutritive value of fruits and vegetables. Countries collaborating with USDA include Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Panama, Peru, and Uruguay.

**Cooperation in Controlling Pests and Diseases:** Joint research efforts have been crucial in controlling pests and diseases. USDA's Agricultural Research Services (ARS) continues to be an active partner in cooperative projects with colleagues throughout Latin America. For example, ARS provides essential research support to USDA's Animal and Plant Health Inspection Service (APHIS) and Central American countries for the ongoing screwworm eradication program, which has eradicated the livestock pest in Mexico and most of Central America and the United States.

## **HIGHLIGHTS OF PROGRAMS IN THE ANDEAN REGION**

The Andean Community (Bolivia, Colombia, Ecuador, Peru, and Venezuela) sought support to address FTAA-related technical assistance issues and priorities. In response, the U.S. Agency for International Development (USAID), together with the Andean Community General Secretariat, developed the following trade capacity building initiatives:

**Assistance with Sanitary and Phytosanitary Issues:** Sanitary and phytosanitary (SPS) issues (food safety, animal health, and plant health) were identified unanimously by all five Andean Community countries as their top priority for trade capacity building assistance. USAID partnered with the U.S. Department

of Agriculture (USDA) to establish an agricultural health program focused on assisting countries to understand and accelerate implementation of their obligations under the WTO Sanitary and Phytosanitary Agreement. Activities focus on training in risk assessment, developing technical research and background indices for regional pests and animal diseases, and designing an information and surveillance system for plant and animal health issues in the region. This program includes regional training in food safety risk assessment and management.

**Competition Policy:** USAID supported a U.S. Department of Justice (USDOJ) and Federal Trade Commission (FTC) competition policy program to enhance policy developments in the Andean Community countries. Under this program, a series of technical workshops on competition policy issues such as abuse of dominance, mergers, and cartels were provided to the Andean countries. USAID, FTC, and USDOJ also supported programs by the Government of Ecuador to help build public understanding of, and support for, competition law as Ecuador prepared its first competition law.

**Other Assistance:** USAID supported planning workshops between the U.S. Customs Service and Andean Community country customs officials to design a WTO Customs Valuation Agreement for technical assistance.



## HIGHLIGHTS OF THE CARIBBEAN REGIONAL PROGRAM

**Support for the CARICOM:** The Regional Negotiating Machinery (RNM) was established by the Caribbean Community (CARICOM) to integrate CARICOM single market economy procedures with WTO and FTAA standards and requirements. USAID provided assistance in developing a Virtual Secretariat that linked the seven RNM offices with the fifteen CARICOM member states' Trade Ministries. The network is invaluable in enabling member countries to collaborate and exchange information on trade related matters. In addition, USAID provided assistance to:

- Administer the Virtual Secretariat network and design a website that provides private sector access to relevant CARICOM documents in the FTAA negotiations;
- Conduct seminars on trade issues of interest to key stakeholders, such as ministries, private sector, civil society groups, and non-governmental organizations; and
- Train key individuals on international trade matters to build institutional capacity within the governments of the region.

**Telecommunications Reform:** USAID helped to reform and modernize the Eastern Caribbean's telecommunications sector, strengthening the ability of the private sector to compete in the international marketplace. Substantial progress was achieved in establishing the Eastern Caribbean Telecommunications Authority's regulatory framework, and movement was made in interconnections issues, setting tariffs, licensing, pricing, and spectrum allocation and license fees.

**Fiscal and Monetary Reforms:** Through USAID's newly established Caribbean Regional Technical Assistance Center (CAR-TAC), USAID coordinated with other donors to provide technical assistance and training to Caribbean governments on fiscal and monetary policies and regulations. Support is provided in areas such as tax administration, public expenditure management, statistics, and banking supervision to strengthen the supportive policy and regulatory framework that will encourage and facilitate the efforts of businesses to diversify and produce goods and services that meet international trade standards.



*USTR Robert B. Zoellick tours the Cotton Tree Foundation, a non-profit organization in the St. Ann's neighborhood of Port of Spain, Trinidad and Tobago, that works to improve the lives of local residents. September 11, 2002.*

**Business Development:** Technical assistance to small- and medium-sized companies in the countries of the Organization of Eastern Caribbean States (OECS) includes diagnostic assessments of enterprises to determine their financial and export viability, and the provision of business facilitation services, such as improving financial management and marketing capabilities, and upgrading packaging, labeling, and production processes. USAID provides funds for the Small Tourism Enterprise Program, which enhances the competitiveness of small hotels, and sites and attractions, and improves environmental management practices of tourism enterprises. Walk-in centers in all of the OECS countries provide small hoteliers and other tourism industry participants with access to training and other informational material to improve management and other business operations, facilitate marketing a Caribbean brand, and enhance environmental business conscientiousness by promoting energy conservation, recycling, and solid waste and wastewater management.

**Sanitary and Phytosanitary Standards:** Regional workshops build private sector awareness of WTO sanitary and phytosanitary requirements governing trade in agricultural goods and processed foods. USAID assists the OECS countries in drafting legislation that complies with international requirements in food safety, and animal and plant health.

**Regional Trade Capacity Building and Competitiveness:** A new USAID program under development will support both the public and private sectors in key areas, such as (1) removing unnecessary constraints to business development; (2) strengthening the region's ability to meet international trade obligations; and (3) identifying and assisting key goods and services sectors to improve efficiency.



### Other Programs in the Caribbean:

**CARICOM Government Procurement:** A capacity-building seminar on government procurement organized by the Inter-American Development Bank helped participants create market offers for government procurement. U.S. Trade and Development Agency (TDA) funding allowed nine CARICOM officials to participate in the seminar, which coincided with the Negotiating Group on Government Procurement meetings in September 2002 in Panama.

**Briefing Room:** The Briefing Room was established by the Jamaican Manufacturing Association, the Jamaican Exporter Association, and the Jamaican Chamber of Commerce in partnership with USAID. The Briefing Room fills an information void regarding the FTAA trade negotiations and related issues. CEOs in Jamaica and the Caribbean are provided with relevant trade information to ensure that they have a better understanding of the issues and implications of the FTAA. The Briefing Room issued 11 trade briefs, reaching over 1,200 private sector CEOs throughout the region and conducted two workshops on the rules of procedure for the VII Business Forum workshops and the various FTAA negotiating groups. The private sector now plays a greater role in the FTAA process and works with the public sector to identify and eliminate constraints to trade and investment in the region, which will enhance competitiveness in the global marketplace.

## HIGHLIGHTS OF PROGRAMS IN CENTRAL AMERICA

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**Environmental Protection Agency Technical Assistance:** Since 1995, the U.S. Environmental Protection Agency (EPA) has provided assistance in the areas of environmental legislation, enforcement, pesticide management, appropriate wastewater treatment technology, municipal solid waste management, and environmental management systems and cleaner production for the industry sector. EPA activities include:

- EPA assisted the region's development of a network of environmental professionals; an Environmental Law Manual to be used as a guide in the development of environmental laws and regulations and as a training tool; and other environmental policy-making tools.
- EPA helps develop capacity to implement and enforce environmental policies by training Central American trainers in environmental impact assessments, risk assessment and management, enforcement principles, environmental compliance inspections, and economic incentives for environmental decision-making.
- In the area of pesticide management, EPA provides training on proper management and disposal of pesticides and in laboratory analyses of pesticides.



EPA continues to provide assistance in all of these areas and currently is helping the region develop a model wastewater regulation that can be used in forming national regulations, thus providing a harmonized approach to the region's environmental policy-making. In addition, EPA assists the region in implementing international environmental agreements, specifically the Rotterdam and Stockholm Conventions for management of pesticides and other hazardous chemicals.

**USAID's Central American Regional Program (PROALCA) Intellectual Property Rights:** The Office of the Special Prosecutor for International Property Rights (IPR) Crimes in Guatemala was established with assistance from USAID. Strategic alliances were forged between USAID and other program stakeholders, such as the Inter-American Development Bank and the World Intellectual Property Organization, to strengthen the region's IPR readiness while promoting regional economic and customs integration efforts.

**Customs Union:** USAID assistance facilitated the revision of the Central American harmonized tariff system. Around 80 percent of the products on the tariff list are harmonized. Ten unified customs facilities were created with USAID support, advancing trade.



**Trade Support:** Primary areas requiring trade-related technical assistance include customs valuation, administration of international trade treaties, and understanding FTAA and WTO commitments. More than 7,000 participants, representing both the public and private sectors, academia, press, and other civil society groups, were trained by USAID-funded programs. Furthermore, USAID support helped strengthen the Central American Secretariat for Economic Integration (SIECA) to such a degree that it has been designated the point of contact for Central America with respect to the Plan Puebla-Panama.

**Labor:** USAID supported the Ministries of Labor in Central America and the Dominican Republic in formulating national and regional policies and implementing modern labor laws and practices. An agreement between the Mexican Secretary of Labor and the Central American Ministries of Labor transferred experience gained by Mexico in the North American Free Trade Agreement (NAFTA) to the region. A modern Internet-based labor information system was implemented throughout the region. Training on social dialogue, alternative dispute resolution, occupational health and safety standards, and labor market modernization was provided to the public and private sectors.

## HIGHLIGHTS OF PROGRAMS IN BRAZIL

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### **Environmental Capacity Building:**

Leaking underground fuel storage tanks contaminate soil and groundwater and create additional safety hazards due to the increased likelihood of explosion, fire, and toxic vapors. The State of São Paulo represents about 25 percent of the national total of underground fuel storage tanks (USTs), with 7,000 USTs at service stations alone. The U.S. Trade and Development Agency (TDA) provided a grant of \$425,000 to the Companhia de Tecnologia de Saneamento Ambiental (CETESB) to partially fund technical assistance to develop strategies for the control and remediation of environmental liabilities; technological upgrading of installations; operating and maintenance procedures for new and existing installations; and recommendations with respect to legislation and technical standards that will achieve a balance between environmental protection and safety, and reasonable compliance investment demands. CETESB used the results of the technical assistance to develop priorities and standards for the UST licensing program that it initiated in 2002.



*USTR Robert B. Zoellick sits down for a digital session with children in Brazil. March 13, 2002*

**Certified Timber:** USAID supported the establishment of the Brazilian Forest Stewardship Council (FSC) to set forest management standards unique to Brazil's mixed hardwood tropical forests. Voluntary forest certification promotes environmentally sound policies and improves salaries and safety standards for workers in the timber sector, the largest single employer in the Brazilian Amazon. Large tracts of natural forest owned by the four leading timber firms have been certified, and the quantity of certified acreage continues to grow, along with the number of participating firms.

**Energy Trade and Investment:** By providing management training, technical assistance, and business planning exercises, USAID helps the Brazilian Energy Service Companies Association (ABESCO) and the Renewable Energy Organizations Network (RENOVE) take advantage of business and trade opportunities in the energy sector. USAID supported the development of The Energy Trade Guide, which helps foreign investors examine energy business opportunities in Brazil. The guide is being distributed widely.

**Brazilian Global Technology Network:** Brazilian companies sought assistance to identify trade opportunities in the Brazilian environment, energy, health, telecom and manufacturing sectors. The USAID Global Technology Network, an interactive web-based program, enables participating companies to post their needs for goods and services through a trade-lead network, thereby facilitating trade and investment. A request from a Brazil-based firm, for example, is electronically matched and sent to thousands of U.S. companies that can provide those goods and services.

**LABEX Program:** Improved agricultural research cooperation between American and Brazilian institutions benefits agribusiness in both countries. In order to capitalize on opportunities and research trends, USDA's Agricultural Research Services (ARS) and Empresa Brasileira de Pesquisa Agropecuária (EMBRAPA), Brazil's equivalent of ARS, signed a specific agreement for the LABEX (virtual lab) program. Currently, five EMBRAPA scientists collaborate long-term in ARS labs. Besides supporting scientists in ARS laboratories, EMBRAPA assists 38 post-graduate fellows at U.S. universities.

## **HIGHLIGHTS OF PROGRAMS IN CHILE**

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**Biotechnology Legislation:** The Government of Chile drafted legislation to regulate the biotechnology sector. The U.S. Trade and Development Agency responded to the Chilean government's interest in learning from U.S. experience by funding an orientation visit to the United States for officials from the Chilean Ministry of Agriculture, the Ministry of Health, and the Ministry of Economy's Biotechnology Program. Through meetings at USDA, the Food and Drug Administration, the U.S. Environmental Protection Agency, and the U.S. Patent and Trademark Office, the Chilean delegation received training on regulation of the biotech sector in the United States, coordination among various government agencies, compliance with WTO regulations and other international intellectual property rights regulations, and how to incorporate genetically modified products while maintaining safe environmental standards. The Chilean delegation also visited private sector corporations, research institutions, and private farms in both Iowa and Missouri, where they saw firsthand the science behind genetically modified agricultural products.

## **HIGHLIGHTS OF PROGRAMS IN COLOMBIA**

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**Water Regulatory Projects:** The Comisión de Regulación de Agua Potable y Saneamiento Básico (CRA) is Colombia's state entity that supports sustainable development of public potable water and basic sanitation services. Colombia's officials identified lost and unaccounted for water as a key problem facing water systems across the country. In an effort to help address these problems, the U.S. Trade and Development Agency (TDA) approved a grant of \$482,000 for technical assistance to CRA to develop a water loss improvement and regulatory reform project. After confirming the water service providers' actual levels of loss and determining the principal causes, the technical assistance will recommend alternative solutions to address deficiencies in the level of coverage of macro and micro metering and will propose regulatory reforms to achieve improvements in water loss.

## **HIGHLIGHTS OF PROGRAMS IN THE DOMINICAN REPUBLIC**

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**Environmental Institutional Capacity Building:** The Dominican Republic recently privatized the Pueblo Viejo precious metals mine and seeks to increase private investment in the country's mining sector. While the Dominican Republic has begun to take important measures to address certain inadequacies of the existing regulatory framework, targeted assistance is still needed. The U.S. Trade and Development Agency (TDA) provided a \$600,000 grant to partially fund a technical assistance program designed to develop the institutional capacity of the Unidad Corporativa Minera (UCM), the Government's mining entity, which will provide direct assistance to a newly-created tripartite Environmental Working



Group. With TDA assistance, the government successfully tendered the Pueblo Viejo mine to a private investor—Placer Dome America—a very important and successful first step in gaining private sector involvement. More specifically, the technical assistance will work with all appropriate government entities to assess and strengthen staffing and organizational structure; assess existing regulations and recommend improvements; and provide training and equipment to enhance and augment their capabilities. The UCM stated that this technical assistance is critical to ensure that the long-term goal of increased investment is achieved in an appropriate environmental approach—a truly sustainable framework.

**Competitiveness Strategy Center:** The USAID-funded Competitiveness Strategy Center, opened in 2001, increased interaction among key public and private-sector individuals and changed mindsets about the role of competitiveness in today’s global economy. USAID helped forge new business alliances and public/private/community partnerships in four regions of the Dominican Republic to develop strategic plans, identify clusters of complementary industries, craft trade and investment policies to improve competitiveness in global markets, and create jobs, thus reducing poverty.

**Specialty Coffee:** In the face of historically low prices, USAID helped Dominican public and private partners form a new organization to ensure production and marketing compliance with high standards for specialty coffee and foster strategic partnerships with trade associations to attract new buyers and expand existing sales. In this way, USAID assistance supports the nascent specialty coffee industry in the Dominican Republic, aiding Dominican farmers and many small businesses associated with coffee processing, distribution, and marketing.

## HIGHLIGHTS OF PROGRAMS IN EL SALVADOR

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**Telecommunications Regulatory Framework:** A number of problems have accompanied El Salvador’s achievements in deregulating the telecom market. The legal and regulatory framework has not always kept pace with the increasing complexity and evolution of the market. The Superintendencia General de Electricidad y Telecomunicaciones (SIGET), the government agency responsible for regulation of the electricity and telecom sectors, is seeking to address deficiencies in the existing regulatory framework that inhibit the establishment of a more open and competitive telecommunications market. The U.S. Trade and Development Agency (TDA) provided SIGET with a \$293,000 grant to fund technical assistance focusing on interconnection, anticompetitive practices, transparency, and consumer protection. The project will result in recommendations aimed to create a more vibrant telecom market in El Salvador, strengthen the existing legal and regulatory framework, and promote cost-oriented pricing principles.



*USAID Administrator Andrew S. Natsios tours newly constructed houses in Tepetitán, El Salvador.*

## HIGHLIGHTS IN GUATEMALA

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**Customs:** A recent study examined current systems for control and release of commercial cargo, current insurance practices, and related local issues of concern in Guatemala. The USAID-funded study recommended a modified control and release system to better meet obligations of the WTO Customs Valuation Agreement.

**Electronic Business Development Centers:** In 2001, in order to help small businesses tap into the enormous potential of the Internet and computer technology to improve their business outlets for new products and services, four Electronic Business Development Centers (EBDCs) were opened in remote rural areas. Two EBDCs are already generating sufficient income to cover operational costs.



**Oriflama Coffee Farm:** A higher-quality variety of shade-grown coffee was introduced in Guatemala and should result in a higher-priced yield that will increase exports. Increased coffee production associated with this project is expected to strengthen the economic infrastructure of the Guatemalan economy and stimulate local employment, creating over 130 jobs in the local economy within five years. The Overseas Private Investment Corporation (OPIC) is providing \$300,000 to help upgrade a coffee plantation in Western Guatemala. Through this initiative, the plantation applies environmentally responsible management practices and implements a number of actions to conserve and enhance biodiversity.

## HIGHLIGHTS IN GUYANA

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**Commercial Law, Regulations, and Public Services:** In response to Guyana's effort to improve its investment climate, USAID helped develop a Guyana Investor Roadmap, which is a tool to help investors understand and navigate the myriad administrative rules and procedures required to invest in Guyana. This project is a key step in making Guyana more attractive to investors.

USAID technical assistance and training to the Guyana Office for Investment (GO-INVEST), the country's investment and export promotion agency, resulted in a dramatic increase in the percentage of potential investors and exporters reporting satisfaction with services received from GO-INVEST, from 43 percent in 1999 to 94 percent in 2001. The average number of months to process applications dropped by over 50 percent in the last two years.

During the next year, USAID will continue to work with both the private and public sectors to make the investment process in Guyana more transparent and non-discriminatory. The program will continue to build on its success by working with the regional Chambers of Commerce, and will establish mechanisms for collaboration and cooperation among private sector organizations.

**International Standards:** USAID-support advances the development of standards for goods and services, which helps local export producers meet international standards and take advantage of new market opportunities. USAID-support helped the Guyana National Bureau of Standards – the institution responsible for setting and enforcing product and quality standards for all goods and services – to better communicate standards and solicit stakeholder input, and train its own officials.

## HIGHLIGHTS IN HAITI

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**Agriculture and Trade Capacity Building:** Working directly with indigenous groups, USAID/Haiti’s program resulted in sustainable increases in both exports of selected cash crops and productivity for staple crops in targeted areas. To maximize impact, efforts are focused on some of the most strategic hillside production areas, such as coffee and cacao, benefitting about 250,000 farmers. Through a network of 80 organizations, these farmers produce quality agricultural commodities for both local and overseas markets while promoting the use of practices that are environmentally sound. With USAID assistance, sales of crops for export (mango, coffee, taro, pumpkin, cacao, yam, genep, and miniature dried oranges) reached over \$1.4 million

USAID helps develop direct commercial relationships with large-volume buyers, including exporters, thereby opening up new markets, reducing the role of intermediaries, increasing revenues for small producers, and generating nearly 6,500 seasonal jobs. New contracts for supplies of specialty coffee were recently negotiated by Fédération des Associations Caféières Natives (FACN) with European and Japanese importers. In addition, by linking farmer organizations with exporters, farm gate prices for cacao increased by 18 percent.

Thanks to technical assistance provided to farmers under the Hillside Agriculture Program (HAP), cocoa quality improved greatly, with zero rejection of beans in 2001 versus more than 30 percent the previous year.





## HIGHLIGHTS IN HONDURAS

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**Agricultural Diversification:** Small farmers need access to local and export markets, new lines of long-term credit, and improved technologies. In response, USAID sponsors technical assistance in non-traditional farming, which has aided 2,300 producers.

USAID supplied resources so that Land O' Lakes could provide technical assistance to the Honduran dairy sector, which improved the quality and quantity of milk and increased the sale of milk products. Farmers' participation in milk collection centers also increased milk production and improved quality. This alliance with private for-profit companies contributes business capital and expertise and enhances global competitiveness of the producers.

**Business Development Services:** USAID provided business development services to women's groups in three secondary cities, increasing their incomes and providing alternative income generation through the production of decorative accessories and handicrafts for export.

## HIGHLIGHTS IN JAMAICA

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**FTAA and Global Trade Forums:** Training for private sector executives improves understanding of trade reforms and stimulates participation in ongoing trade negotiations. USAID-sponsored forums will advise business and government on the latest trade developments, which will improve the business environment in the context of international trade liberalization.

**Competitiveness Clusters:** Together with the Jamaican Export Association and DFID (Department for International Development – British Development Agency), USAID will conduct an analysis of the most potentially competitive sectors of the Jamaican economy and develop a plan to increase the ability of these sectors to form successful “clusters” and become more competitive in anticipation of trade reforms.

**The Jamaica Conference Board:** The Jamaica Chamber of Commerce (JCC), together with USAID, established the Jamaica Conference Board, which provides rigorous analysis of critical issues impeding economic growth in Jamaica and offers a forum for the private sector to discuss these issues with key public sector officials. The Jamaica Conference Board includes key CEOs in Jamaica. Topics analyzed and discussed impact the bottom line of businesses in Jamaica, such as labor laws that affect flex-time, the high cost of electricity, and unrelenting power outages.

The Conference Board also developed Jamaica's first Confidence Index, which is a survey that looks at how businesses and consumers feel about the economic situation of the country, providing a realistic snapshot of the various factors influencing the economy.





**Business Road Map:** A comprehensive “roadmap study” examined government requirements confronted by businesses in Jamaica when establishing and carrying out day-to-day business operations, and identified bottlenecks as well as procedures that require streamlining. Some areas identified for immediate changes were land development, incentives, tax compliance, and customs. As a result of the “roadmap study,” USAID assisted the government of Jamaica in modernizing and streamlining the National Lands Agency and the Office of Registrar of Companies.

**Market Securities:** USAID assists the Jamaica Central Securities Depository to enable it to acquire a commercial “off-the-shelf” software solution for improving the management of the Fixed Income Securities (FIS) market in Jamaica. This initiative eliminates the need for physical paper transfers, which improves services to the relevant government agencies, such as the Central Bank of Jamaica.

**Automated Check Clearing System:** Approximately 100,000 checks are written in Jamaica on a daily basis. These checks were cleared manually through the banking system, which took up to fourteen days and hampered the efficiency and competitiveness of Jamaican companies. With USAID assistance, commercial banks in Jamaica established in less than three months a clearinghouse and automated system, reducing the check clearing process to a maximum of three days.

**Small- and Medium-sized Enterprise Development:** Employees from 500 small- and medium-sized firms will be trained by USAID on effective use of computer-based management software solutions and information technology. Firms trained to date acquired skills in automated financial and accounting systems, business management techniques, and e-commerce marketing. The Jamaica Network of Rural Women Producers, an organization of mainly owners and operators of agriculture related micro-enterprises, benefitted significantly from training, which has led to increased production, introduced value added products, and increased the marketability of their products. For example, a micro-entrepreneur of an organic juice company who participated in the business management training, time management, and record keeping skills workshops increased juice production by 80 percent, and was able to more accurately calculate profits.

**Jamaica’s First Online Payroll Service:** Just months after its launch, MCS.com, the creators of online payroll service BizPayCentral.com – the first of its kind in Jamaica, won the 2002 Microsoft Certified Partners Award for Best Small Business Solution for the Caribbean. The on-line payroll service was developed by a Jamaican application service provider in conjunction with Microsoft, Cable & Wireless, and USAID to support primarily small businesses, such as pharmacies, gas stations, small commercial retail outlets, small manufacturing institutions, service outlets and independent professional offices that operate a manual payroll or outsource their payroll. The ability to automate payroll, monthly reports, and mandatory annual reports for tax purposes eliminates the need for small businesses to purchase and maintain an expensive payroll package and enables them to focus on improving their products and services to expand their operations.

**Access to New Financial Products:** USAID helped to increase access to financial products from Capital & Credit Merchant Bank and LETS Investments (a Jamaican-owned investment brokerage house). Approximately 700 small- and medium-sized enterprises are expected to access annually new financial products and services from these institutions.

## HIGHLIGHTS OF PROGRAMS IN MEXICO

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**Venture Capital Market:** A number of factors have limited the development of the venture capital industry in Mexico, including overregulation, coupled with an absence of public and private institutional investors, an incomplete regulatory framework, few exit strategies for small- and medium-sized companies in the Mexican Stock Exchange, and a lack of effective protection for minority shareholders. The U.S. Trade and Development Agency (TDA) is funding technical assistance that will aid the Mexican government in its efforts to address these issues. Technical assistance contractors will work with Nacional Financiera and the U.S.-Mexico Task Force on Venture Capital to develop an Action Plan that will recommend concrete steps to strengthen the venture capital industry in Mexico. A well functioning venture capital market will support the creation of new businesses in Mexico thereby promoting economic growth and raising income levels.



*U.S. Under Secretary of State Alan Larson, NAFIN Director General Mario Laborin, TDA Director Thelma J. Askey, and Mexican Under Secretary of Finance Agustin Carstens at the TDA-NAFIN Master Grant Agreement signing, March 2002.*

**Increasing Understanding of Biotechnology:** Greater understanding of the science of biotechnology helps dispel the myths and misconceptions surrounding it. The U.S. Department of Agriculture sponsors biotechnology education efforts, such as a regional seminar on labeling held in Mexico in April 2002.

## HIGHLIGHTS OF PROGRAMS IN NICARAGUA

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**Strengthening an Enabling Environment for Trade and Investment:** Agricultural sector leaders and other public and private sector stakeholders in Nicaragua sought a forum to develop policy recommendations relating to trade and investment. USAID responded by designing a project that will work with a selected group of farmers and organizations to strengthen market-based alliances for quality coffee, dairy exports, and supermarket access.

**Agricultural Diversification and Building Trade Capacity:** Local agricultural non-governmental organizations identified increased market access for small producers and greater agricultural diversification as areas requiring technical assistance. Beneficiaries of USAID support significantly expanded production of coffee, cacao, and vegetables, thereby increasing family incomes. By focusing on market research, product quality, and competitiveness, Nicaraguan small farmers gain access to niche markets and broader international markets for higher value products. USAID also promotes the use of on-farm grain storage silos, which reduce post harvest grain losses. Certified organic coffee producers receive higher prices per pound than other farmers, and incur lower production costs since they do not use pesticides and commercial fertilizers. Small coffee farmers also improved quality and developed alliances with specialty coffee roasters.

**National Seed Improvement Project:** The USAID National Seed Improvement Project (PROMESA) reduced tariff and non-tariff barriers to regional trade in seeds and plant materials, and worked with the Ministry of Agriculture to improve efficiency by privatizing seed certification services. PROMESA also increases small farmer access to improved seed export opportunities. Small farmers exported 730 metric tons of black beans to Costa Rica in 2001, and exports are expected to increase in 2002.



## HIGHLIGHTS OF PROGRAMS IN PERU

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**Jorge Chavez International Airport:** A \$106 million Overseas Private Investment Corporation loan will support the privatization, rehabilitation, and expansion of the Jorge Chavez airport, the third busiest in Peru, accounting for virtually all international air traffic and cargo, and one-third of domestic passengers. The project will generate \$65 million in annual revenue for the Peruvian government and create 70 permanent local jobs.

## HIGHLIGHTS OF PROGRAMS IN VENEZUELA

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**Telecommunications Regulatory Projects:** Venezuela's telecommunications regulatory agency, the Comisión Nacional de Telecomunicaciones (CONATEL), has embarked on an ambitious program of regulatory reform and market opening, aided to a great extent by a U.S. Trade and Development Agency (TDA)-funded resident technical advisor who spent one year working with CONATEL on the analysis and development of key policies related to market restructuring. CONATEL laid the groundwork for the opening, via restructuring, new, progressive telecommunications law, and completion of the first of a series of auctions to award licenses to those companies interested in competing against the incumbent operator. With additional TDA support approved in 2002, CONATEL is moving regulatory reforms to a new phase, with technical assistance to develop and implement a long-term incremental cost model in order to calculate appropriate interconnection charges.



## UNITED STATES GOVERNMENT

### *FY 02 Trade Capacity Building Assistance to FTAA Countries*

TCB Category	FY 02 Total
WTO Awareness	\$ 1,267,000
Agreement on Agriculture	610,000
Agreement on Sanitary & Phyto-Sanitary Measures	1,659,580
Agreement on Technical Barriers to Trade	360,920
Agreement on Customs Valuation Methods	358,580
Agreement on Rules of Origin	79,300
Agreement on Subsidies & Countervailing Measures	11,480
Agreement on Safeguards	8,200
General Agreement on Trade in Services (GATS)	138,580
Agreement on TRIPS	299,185
Agreement on Dispute Settlement	12,300
Trade Policy Review Mechanism	36,150
Customs Operation & Administration	717,818
E-Commerce Development & Information Technology	661,963
Export Promotion	3,644,898
Business Services & Training	14,113,019
Regional Trade Agreements	1,485,950
Other Trade Facilitation	211,200
Human Resources & Labor Standards	27,215,014
Financial Sector Development & Good Governance	1,256,167
Infrastructure Development	3,519,353
Environment Sector Trade & Standards	5,238,524
Competition Policy & Investment Issues	5,754,519
Trade-Related Agriculture Development	14,322,072
Tourism Sector Development	1,775,075
Other Services Development	2,194,500
Governance/Transparency & Inter-Agency Coordination	3,844,990
<b>Total</b>	<b>\$ 90,796,337</b>

This table includes all TCB assistance allocated to country specific programs as well as the following geographical regional groups in the FTAA region: Caribbean ns, Central America ns, Latin America & the Caribbean ns, and South America ns. NS=not specified and includes programs that could not be allocated to a specific country, but were regional in scope.

*Source: FY 02 USG Trade Capacity Building Survey. Data reported in \$US.*



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*“The goal is to provide people in developing nations the tools they need to seize the opportunities of the global economy.”*



President George W. Bush

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