

**Strengthening Democracy, Promoting Prosperity:
A Partnership to Build Capacity
In Costa Rica, El Salvador, Honduras, Guatemala, and Nicaragua**

Government Assistance

Each country prepared a national trade capacity building (TCB) strategy which defines needs and identifies priorities (**weblink**.). Based on these strategies, the assistance to address TCB priorities will be provided by many U.S. government agencies, five international institutions, corporations and non-governmental organizations. The initial programs¹ are summarized in three categories: 1) government-provided assistance, 2) international institutions; and 3) private sector and non-governmental organizations. As these are summaries, please contact the donor agency, institution or organization directly for additional information. This document is a summary of technical assistance provided by the U.S. Government.

Strengthening Trade-Related Information Systems and Regulatory Practices

- USAID will purchase, install, and provide training on compatible software to manage trade data.
- The U.S. Department of Commerce will provide assistance through its Good Governance Program to develop joint private/public sector initiatives to promote better business practices.
- USAID will provide assistance to improve and make more transparent commercial laws and regulations in Guatemala.
- In Honduras, USAID will fund a computer systems analyst to help the Ministry of Industry and Commerce evaluate their computer and information needs. In addition, USAID will purchase equipment (e.g., 6 computers, scanner, printer, and server) for the Ministry of Industry and Commerce.
- USAID will support Nicaragua's fiscal reform process, including funding studies of policy options for alternative revenue sources.

Involving Civil Society in the Trade Policy Process

- USAID will develop websites in each Ministries of Economy for collection of public comments and dissemination of information regarding the US-CAFTA – similar to the USTR website used to receive public comments.
- USAID will fund a regional program working with the five local Chambers of Commerce and civil society to organize outreach events during 2003.
- USAID will provide additional assistance to improve outreach to the private sector, civil society and other government ministries to strengthen the consultative process in El Salvador, Honduras and Nicaragua.
- To understand how the United States organizes its advisory groups, the U.S. Department of Commerce and USTR will organize and facilitate meetings between U.S. Industry Sector/Functional Advisory Committee (ISAC), the Advisory Committee for Trade Negotiations and Policy (ACTPN), the Labor Advisory Committee (LAC), and the Trade and Environment Policy Advisory Committee (TEPAC) representatives and Central American public/private sector and civil society representatives.
- The U.S. Department of Commerce, as coordinator of the Trade Promotion Coordination Committee, will work with the governments so they understand how the United States government coordinates trade promotion activities among agencies.

Strengthening Compliance with Trade-Related Commitments

¹ Programs are provided to all five countries, i.e., regional programs, unless otherwise indicated.

- USAID and USDA, drawing on experts in other U.S. agencies, will provide training and technical assistance to improve food safety and animal health.
- USAID will provide intellectual property rights (IPR) workshops and outreach events.
- USAID will provide training in government procurement.
- With the assistance of U.S. Justice Department and the U.S. Federal Trade Commission, USAID will provide training on antitrust law and competition policy.
- In El Salvador, USAID will also provide assistance to private sector for compliance with U.S. food safety and animal health regulations.

Practical Assistance to Complete the Agreement

- USAID will fund a training course for new government negotiators in each U.S.-CAFTA negotiation area, drawing on historical experiences of past trade agreements (e.g., the NAFTA, the GATT, the WTO, the Canada-Chile FTA).
- Training courses and workshops for Nicaraguan negotiators and technical officials on several complex, specialized issues, such as customs valuation, rules of origin, and dispute settlement will be provided by USAID.

Investment in the Environmental

- Access to the Chemicals Information and Exchange Network (CIEN) is being provided by the U.S. Environmental Protection Agency (EPA), with assistance from USAID. This network promotes sound management of chemicals through better communication of information. Government agencies, non-government organizations and the private sector stakeholders concerned with chemicals management are trained to use electronic resources and the internet to locate information on chemicals. The U.S. Trade and Development Agency's (USTDA) planned conference on chemicals standards for labeling and composition in Central and Latin America, which is to take place later this year, will provide additional benefits.

Building on current efforts, with the assistance of USAID, EPA is providing on a regional basis, through the Central American Commission for Environment and Development (CCAD):

- The Program of Training for International Environmental Law – UNITAR correspondence courses are being translated to Spanish and will be provided to the five countries for training government and private officials in effective implementation of international agreements. Modules address general themes, such as International Environmental Negotiations, or issues that arise out of specific agreements.
- EPA, with the Central American Commission for Environment and Development (CCAD), is training environmental compliance inspectors in Central America. The training will strengthen the regional environmental enforcement networks and will result in better enforcement of environmental laws in each country. Course material based on local best practice and “train the trainer” efforts will ensure that training is effective and continues to spread throughout the region after the EPA efforts are concluded.
- EPA personnel provide expertise in the region, through national Centers for Cleaner Production, in promoting cleaner production approaches and implementation of other environmental management systems.

Improving the Lives of Workers and Consumers

- The Department of Labor (DOL) funds projects aimed at improving the lives of workers and

enhancing the functioning of labor markets in Central America so that businesses and workers, and their families, can take advantage of the economic opportunities that are created through trade liberalization.

- Labor Relations: DOL contributes to the “Freedom of association, collective bargaining and labor relations in Central America” project, known as RELACENTRO, which works with Labor Ministries and workers’ and employers’ organizations to strengthen labor relations systems in the region and promote a shift from conflict to cooperation as a foundation for greater democratic and economic development.

The project’s intended results include:

- Recognition by workers and employers of the need for ongoing dialogue and development of effective labor relations practices;
 - Improved effectiveness of administrative and judicial systems in the application of labor law; and
 - Increased capacity of workers and employers to negotiate collectively and implement cooperative approaches to labor relations.
- Safety: A DOL-funded program designed to reduce the rate of workplace accidents and injuries is demonstrating to employers that investments in occupational safety and health translate into economic gains. To help bring about permanent improvements in the way that workers do their jobs, DOL will support the establishment of a public-private foundation based in El Salvador, to sustain the good practices that are being developed beyond the life of the project.

Some of the project’s outputs include:

- Curriculum development for training a group of OSH “promoters” in vocational technical schools and labor/rural worker groups, who in turn, go into the fields, classrooms, and workplaces to teach workers about the basic importance of OSH measures.
 - Provision of OSH monitoring equipment and safety gear, and requisite training to a cadre of inspectors and OSH staff in its use.
 - Country Strategic Action Plans (CSAPS), which have resulted in the establishment of tri-partite OSH committees in most countries as well as the review of current OSH legislation and practices.
- In June 2000, El Salvador took the lead in Central America by becoming one of the first IPEC countries to initiate a comprehensive, national Time-Bound Program to eliminate the worst forms of child labor. In September 2001, USDOL supported the Time-Bound Program, implemented by ILO/IPEC, with \$4 million. The Time-Bound Program reflects the firm commitment from the Government of El Salvador to eliminate the worst forms of child labor within a five to ten-year period.
 - In addition, assistance in Guatemala on labor issues (which could include training or workshops on labor issues, especially on child labor and core labor rights, will be provided by USAID.

Helping Small and Rural Businesses To Compete

- E-Business Fellowship Program: The U.S. Department of Commerce (DOC) and US Trade and Development Agency will expand their existing training program linking U.S. businesses with information technology professionals in Latin America, bolstering their efforts in the five countries. The program brings Central American managers to the United States for training on e-business management at U.S. host companies.
- Financing: A seminar sponsored by the National Law Center for Inter-American Free Trade, the North-South Center, INCAE, and the U.S. Department of Commerce focusing on the financing needs of small businesses and women-owned businesses in Central America.

- Outreach Program for Central American Trade Ministers: The U.S. Department of Commerce will coordinate visits to select U.S. cities with other USG officials and US/CA Ambassadors to promote business in the Central American region. Seminars would include state, local and business officials and focus on greater trade/investment in the region.
- USAID will provide assistance to El Salvador's businesses to transition to a global economy, and provide information on market entry requirements into the United States.
- In Nicaragua, several activities to support the transition to free trade (e.g., technical assistance to small and medium agribusinesses, technical assistance on market links, and packaging for export products) will be funded by USAID.