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TRADE RELATED CAPACITY BUILDING (US-CAFTA)

**A MULTILATERAL DEVELOPMENT BANK'S ROLE: LATIN
AMERICA AND THE CARIBBEAN**

Ennio Rodriguez
Principal Economist
Integration and Regional Programs Department
Inter-American Development Bank



Inter-American Development Bank

Trade related capacity building (US-CAFTA)

Ennio Rodríguez

Principal Economist

Trade, Integration and

Hemispheric Affairs Division



- The countries decided to incorporate the Capacity Building Program as an essential part of the negotiations leading to a Free Trade Agreement
- A Donor Committee was created. The Bank is the coordinator of the multilateral donors under the Tripartite Committee Framework (OAS, CEPAL, IDB)



- With Tripartite Committee support, the countries prepared and agreed on the basic format that would be used to formulate the National Action Plans for trade related capacity building
- Chapters:
 - Preparation and participation in the negotiations
 - Implementation of the agreement
 - Transition and necessary changes to take advantage from the agreement



- As per countries' request, the donors agreed on which country to assist in the formulation of the National Action Plan
 - Honduras: USAID
 - El Salvador: OAS
 - Guatemala: ECLAC
 - Nicaragua: IDB
 - Costa Rica: IDB



- The recipient countries used the format in the national consultation process and produced first drafts
- The facilitators met with the governments in their capital cities to discuss first drafts and to provide orientation as needed



- After four weeks, the recipient countries finalized their strategies
- The donor community (US government, IDB, OAS, ECLAC, World Bank and BCIE) revised the strategies
- A working group was established in the Bank to prepare the response



- Donors and recipient countries met to discuss the priorities
- The recipient countries were asked to do a pre-selection of priorities to be initiated in the short term
- The initial response from the Bank was based on the operations in execution or soon to initiate execution



- The Cooperation Group meets at the same time of the negotiation groups under the negotiation framework for the FTA
- The existing cooperation programs and mechanism are still working while the new priorities are being taken into account



- The current challenge for the governments and the Bank is to effectively introduce under the Bank's regular programming and operation the priorities emerging from the identification exercise



Program for the Revitalization of the Rural Economy (Honduras)

Objectives:

- (1) strengthening the capacity for formulation of policies related to the development of physical infrastructure and productive services in rural areas and the framework of incentives for production in the agro-food sector;
- (2) improving the quality of public plant and animal health and food safety services; and
- (3) promoting, through participatory mechanisms, the identification of deficiencies in the supply of goods



Program for the Revitalization of the Rural Economy (Honduras)

Executing Status: Four years from August 2000

Executing agency: Ministry of Agriculture

Amount: \$30 million; SPS component US\$2.0 million



Agricultural Services Strengthening Program (Nicaragua)

Objective: Construction of four animal health laboratories; eight units for health services; five livestock monitoring quarantine stations; one seed analysis laboratory. Equipment for the above facilities and two animal health laboratories and four existing quarantine stations; expansion and improvement of one livestock quarantine station. Institutional strengthening of the Agricultural Protection and Health Secretariat conducting the campaigns of control, sanitary supervision, inspection and improvement of seeds; technical assistance; training; and creation of seed councils



*Agricultural Services Strengthening Program
(Nicaragua)*

Executing Status: completed in June 2001

Executing Agency: Ministry of Agriculture (MAG)

Amount: \$7.25 million



Awareness and Application of SPS measures (Regional: Plan Puebla-Panama)

Objective: Support agricultural trade through the harmonization/improvement and operational coordination of a regional system of application of SPS measures.

Components: (i) Harmonization of quarantine procedures to establish operational mechanisms for importation, exportation, and inspection;

(ii) Institutional strengthening to provide each national SPS agency technical-management tools to ensure efficient application of regional norms, directives, and operational mechanisms; and

(iii) Food inspection, to examine the feasibility of developing a regional system of food inspection



Awareness and Application of SPS measures (Regional: Plan Puebla-Panama)

Executing Status: Approved in 2002

Executing Agency: International Regional
Organization for Plant and Animal Health (OIRSA)

Amount: \$2.1 million (\$1.5 million from IDB)