

**A REGION-BY-REGION REVIEW OF CURRENT USAID  
TECHNICAL ASSISTANCE PROGRAMS FOR TRADE AND  
COMPETITIVENESS**



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## Introduction

The United States of America makes available technical assistance and services to developing and least-developed countries: (a) primarily through the U.S. Agency for International Development (USAID) and (b) through certain other U.S. Government agencies with specific substantive or sectoral expertise, but usually with USAID funding. Among the latter are: Department of Agriculture Foreign Agricultural Service; Department of Commerce/Commercial Law Development Program and Patent/Trademark Office; and the Department of Treasury/Customs Service.

USAID helps the people of developing nations become participants in the economic and political lives of their nations, supporting policy reforms in key sectors by strengthening economic and political institutions critical to good governance, by encouraging **the effective functioning** of markets, by investing in human resources, and by aiding projects designed to promote **sustainable growth**.

USAID's economic growth and development activities assist in building indigenous institutions and developing policies to promote openness to trade and investment, support agriculture and rural enterprise, strengthen infrastructure and delivery of services, provide adequate incentives for exports, assist tax and tariff restructuring programs, assist privatization of enterprises, simplify and improve transparency of business regulations, avoid inefficient import substitution and unwarranted protection, and strengthen the enabling environment for development of the private sector.

The programs in each country respond to the needs and potentials expressed by public and private sector counterparts. At times, the activities respond to a narrow set of trade-related objectives (e.g. WTO accession or compliance), but often to the larger issues of competitive participation in the global trading system.

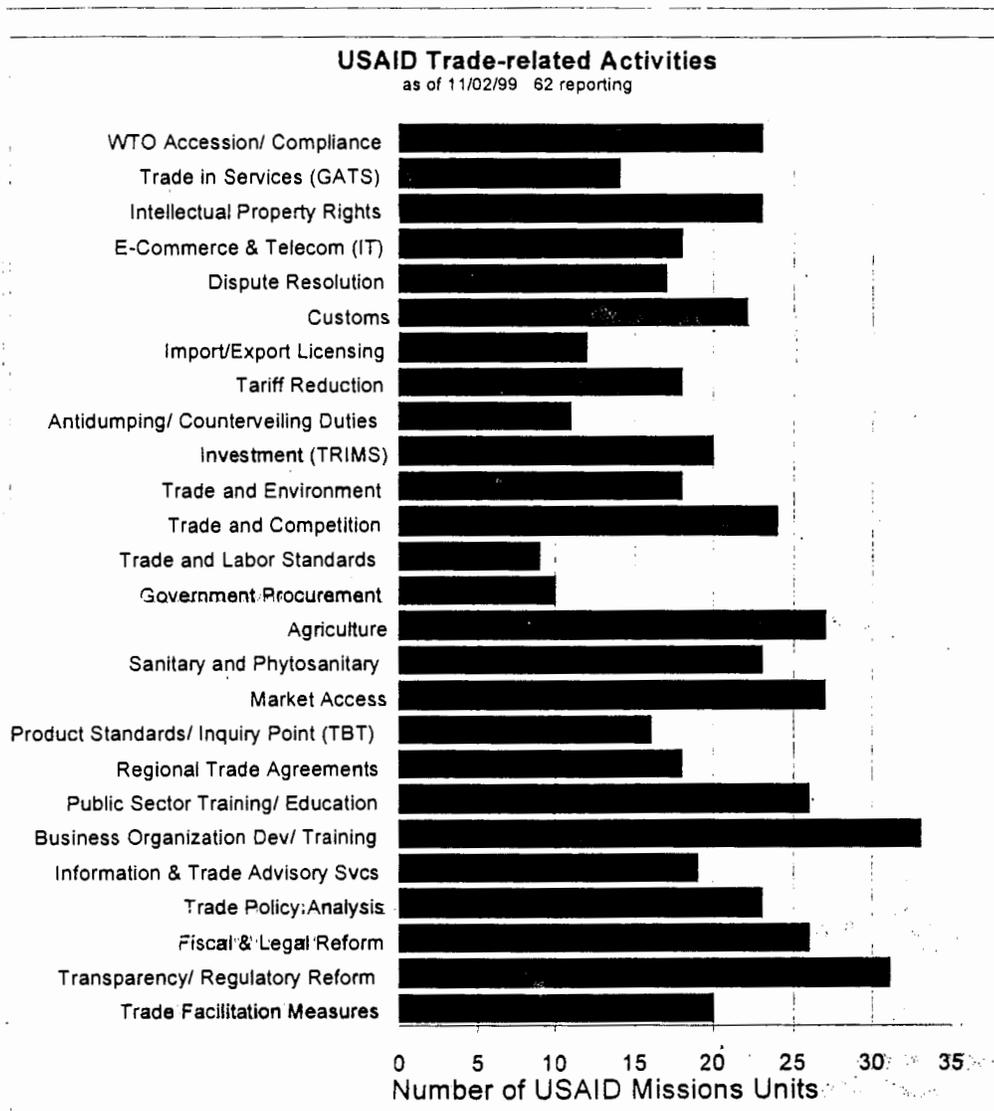
Table 1 shows the breakdown of USAID obligations on trade-related technical assistance among WTO-specific, trade-related, and private sector activities.

**Table 1**

| 62 Missions/Op. Units<br>Reporting<br>as of 11/02/99 | WTO-specific adherence,<br>compliance, and<br>participation |          | Trade-related public<br>policy and public sector<br>institutional capacity |          | Private sector, supply-side<br>response, business-related<br>activities, civil society<br>advocacy |          | Other trade-related<br>activities |          |
|--|---|----------|--|----------|--|----------|-----------------------------------|----------|
|  | FY1998 & 99<br>(Combined)                                   | FY2000   | FY1998 & 99<br>(Combined)  | FY2000   | FY1998 & 99<br>(Combined)  | FY2000   | FY1998 & 99<br>(Combined)         | FY2000   |
| Estimated Obligations<br>(in millions of dollars)    | \$24.3 m  | \$28.0 m | \$44.4 m   | \$42.1 m | \$57.8 m   | \$53.5 m | \$19.9 m                          | \$20.4 m |

This chart below shows which trade-related activities were most often undertaken by the Mission or Operating Unit.

Table 2



The most active USAID missions providing trade-related technical assistance (shown with the number of activities) are in the following countries/regions:

Egypt -- 23  
Central Asia (Regional) -- 23  
Morocco -- 21  
West Bank/Gaza -- 21  
Caucasus -- 20  
Guatemala/Central America -- 20  
Jordan -- 19  
G/EGAD/EM -- 19  
Bulgaria -- 18  
Uganda -- 17  
LAC/RSD -- 16  
Southern Africa -- 16  
South Africa -- 15

All USAID trade-related activities reported in late 1999 total to **\$146 million** for FY 1998 and FY 1999 combined, and **\$144 million** for FY 2000.



## USAID Technical Assistance for African Countries on Trade Policies

The U.S. Agency for International Development's African Trade and Investment Policy (ATRIP) program finances activities to help African private and public sector partners to design and implement policy reforms that will make their countries more attractive to international trade and investment. As part of President Clinton's Partnership for Economic Growth and Opportunity in Africa, ATRIP's strategic objective is to support African leaders who want increase their "openness to international trade and investment"—an important step in achieving a vital and growing economy.

### **Current USAID activities in trade policy, 1998-99**

#### I. WTO Workshops and Symposium

USAID's region-wide programs and USAID's bilateral programs in Mali, Mozambique, South Africa and Uganda are seeking to strengthen understanding of World Trade Organization (WTO) agreements and procedures in Sub-Saharan Africa. A series of short seminars and in-country workshops initiated in 1998 is intended to improve understanding and support in the public and private sector of important aspects of WTO agreements. Some of these workshops have sought to raise general WTO awareness, while others address particular substantive and wider thematic topics (e.g., the Agreement on Agriculture and upcoming negotiations).

##### 1. WTO Awareness Workshops

Workshops for trade ministry and private sector officials, dealing with WTO conventions and related agreements and procedures, have been conducted at several sites. In some cases – Uganda, South Africa, and possibly Senegal – these 1-3 day workshops will be followed up by in-depth technical assistance with specific strategic, legal, or technical requirements that will have been identified at the workshops. For example, following the December 1998 workshop in Pretoria, USAID, USTR, and USDA arranged an additional technical workshop on sanitary and phytosanitary standards that took place in South Africa in September 1999.

USAID has sponsored awareness workshops at the regional level (cosponsored by the Common Market for Eastern and Southern Africa (COMESA): Zambia, December 1998) and at the national level (South Africa, December 1998; Uganda, April 1999; Senegal, August 1999; Cote d'Ivoire, August 1999; Mali, September/October 1999).

##### 2. Workshops Toward WTO Negotiations

Each of the awareness workshops includes some attention to upcoming WTO negotiations on the Agriculture Agreement and other sectors. Increasingly USAID workshops in Africa are seeking to assist Ministry and private-sector counterparts to prepare their own participation in future WTO negotiations. In Senegal, Cote d'Ivoire, and Mali, this has included analysis of trade in agricultural products that may be of particular interest to these countries in the WTO negotiations.

A one-week regional workshop to train WTO negotiators from selected countries of Eastern and Southern Africa is under discussion between USAID and COMESA.

##### 3. WTO Ministerial Conference Symposium



In cooperation with USTR, USAID will sponsor a symposium on donor technical assistance for Africa at the upcoming Seattle WTO meetings. The purpose of the symposium will be to inform African economic officials about available donor technical assistance for African countries. An up-to-date "Resource Guide" will be made available on compact disc and will be provided to all interested delegations. The symposium is scheduled for one of the main WTO Ministerial venues on Monday, November 29, 1999.

## II. Regional Capacity Building in Trade Policy

USAID's Regional Center for Southern Africa (RCSA) in Gaborone, Botswana is providing the Southern African Development Community (SADC) and its **member countries in 1999-2000** with assistance to facilitate their agreement on, and phased implementation of, the SADC Trade Protocol. Other future SADC priorities include market access to developed countries, other trade related technical assistance, and bio-safety, in particular, issues dealing with genetically modified organisms.

In conjunction with USAID's assistance in the implementation of the SADC Trade Protocol, a major USAID activity which began in July 1998 has been to assist Mozambique to complete ratification and negotiation of its terms, as well as to define the requirements for effective implementation of the protocol over the next eight years. Frequent intermittent technical assistance has been provided to the private sector—through Mozambique's Working Group of Associations (Comissao de Trabalho das Associatoes, CTA)—and to the ministries involved in intra-SADC negotiations in order to:

- Give the private sector a comprehensive overview of the terms and implications of the protocols. A broad cross-section of the private sector now realizes not only what the protocol is, but also recognizes the challenges and opportunities that it presents;
- Facilitate a consensus between the public and private sectors to proceed with ratification of the protocol, and to be implemented within an eight year time frame;
- Provide lessons learned from similar activities in other countries;
- Assist the preparation and negotiation (vis-à-vis other SADC members) of Mozambique's proposals and final offers on sensitive, gradual, and immediate lists for removal of tariffs under the protocol.

The current phase of USAID/Maputo's effort is to assist CTA and the Government of Mozambique in the process of ratification and negotiation of the SADC Trade Protocol over the next year, as they develop support among parliamentary leaders prior to ratification of the protocol.

## III. National Capacity Building in Trade Policy

USAID Missions in Mali, Uganda, and Mozambique have initiated trade-policy technical assistance activities in 1999. These programs involve strong coordination between the ministries of trade and industry and the local private sector groups that have most to gain from the alignment of technical standards with international market requirements and from reduced trade barriers.

### Mali

From 1996-98, USAID worked to assist private exporters of livestock and rice to identify opportunities for regional trade and address policy restrictions and technical constraints to these

activities. This project was the catalyst for a private-public sector initiative to crack down on illegal transit fees that continue to impede livestock exports and other trade in the region.

An important element of this year's work has been to assist the Government of the Republic of Mali (GRM) to enhance competition in export markets and expand processing value-added in export sectors. Particular activities have included analyses to address:

- Policy and technical constraints to developing a competitive feed industry.
- Prospects for exports from the textile and garment sub-sector.
- The fiscal burden on transport and its impact on other sectors and on economic growth and trade.
- Financial and land market constraints to private investment in the Office du Niger rice irrigation scheme.
- The impact of the West Africa Economic and Monetary Union's (WAEMU) proposed investment code on investments in Mali.
- Causes of low labor productivity in Mali's industrial sector.

An additional current and on going emphasis has been on assisting Mali to conform to international conventions on trade and investment. This has involved helping policy makers understand the current implications of Mali's obligations to WAEMU and the WTO. Particular activities will include:

- Building the human capacity to strengthen Mali's negotiating abilities in preparation for the next round of the WTO.
- Evaluations of current protection, profitability, and prospects for the sugar and wheat milling industries after reduction of WAEMU and the Most Favored Nation (MFN) trade barriers.

### Uganda

USAID/Uganda is initiating in 1999 an activity "Capacity Building: Uganda Trade Policy". The purpose of the activity is to assist the Government of Uganda (GOU) and the Ugandan private sector in developing capacity to meet obligations agreed to in the WTO, as well similar obligations under regional trade agreements from East African Co-operation (EAC) and COMESA. The activity is expected to help institutionalize the role of the private sector in the formulation of the GOU's trade policy and negotiating positions. The activity is scheduled to start in November 1999. Specialized technical assistance will be provided in the following areas:

#### *WTO-Specific Technical Assistance*

- Customs valuation: procedures and revision of Brussels Definition of Value (BDV) to WTO system.
- Licensing to ensure that current system is consistent with WTO requirements.
- Standards and technical barriers for trade.
- Sanitary and phytosanitary requirements.
- Consistency of local commercial law with WTO requirements.
- Agricultural issues.

#### *Regional Agreements-Specific Technical Assistance*

- Examination of tariff changes
- Product Exceptions of Uganda
- Ugandan interest in other part exceptions.



- Development of rules of origin that avoid trade distortions and maximize advantages to Uganda.

### Mozambique

As part of USAID's work to assist Mozambique with ratification of the SADC Trade Protocol, USAID/Mozambique has been working toward trade policy capacity building that will more generally help to Mozambique to participate effectively in regional and multilateral trade negotiations. The purpose of this effort is to:

- Identify and supply further training and technical advice that may be needed by the recently formed, inter-ministerial Trade Technical Unit, as it seeks to negotiate regional and multilateral trade agreements.
- To assist Mozambique in gaining **greater support for further trade liberalization.**



## USAID Bureau for Asia and the Near East (ANE) Activities in Trade & Investment Liberalization

### **Four bilateral ANE programs—Egypt, Sri Lanka, Indonesia and the Philippines—focus on liberalizing trade and investment policy.**

#### USAID/Egypt

There are currently five projects focusing on trade and investment policy in the particular areas of 1) Agriculture, 2) Competition and intellectual property and 3) Legal-regulatory-judicial framework. Project descriptions follow:

#### I. Commercial Law Development Program (CLDP)

The Commercial Law Development Program (CLDP) started in January 1998 and will end in January 2000. The project funding is \$1.030 million. We plan to extend the program period for another 18 months. CLDP will continue to be funded under The Partnership for Economic Reform Project. The Commercial Law Development Program's activities in Egypt currently include technical assistance and training for the Government Of Egypt (GOE) and the Egyptian private sector on:

- 1) intellectual property rights (IPR),
- 2) government procurement,
- 3) regulatory end quality controls,
- 4) trade remedies,
- 5) World Trade Organization (WTO) conformity and
- 6) Other international trade and commercial law issues.

CLDP's program endeavors to assist the GOE in developing laws, regulations and policies that will lead to an increase in trade and investment. CLDP recommendations highlight the importance of making reforms that are WTO consistent and that will strengthen the GOE's institutional ability to function more effectively within the WTO.

During the last quarter, CLDP conducted:

- 1) Seven technical assistance activities.
- 2) Two conferences were held, the first in Cairo in April on the WTO Sanitary and Phytosanitary (SPS) and Technical Barriers to Trade (TBT) Agreements, and the second in both Cairo and Alexandria on the protection of computer software in Egypt).
- 3) Three USG IPR experts conducted a two-week training in Cairo in April For officials from the General Organization for Export and Import Control (GOEIC) of the Ministry of Trade and Supply (MOTS) on Trade Related Intellectual property rights (TRIPS) implementation and border enforcement.
- 4) Three study tours were made to Washington, DC. The first focused on transparency in government procurement, the second on developing a contact point under the TRIPS Agreement. The third involved a group of young commercial attaches from MOTS who visited Washington to study USG interagency coordination of trade policy and the WTO Agreements.



- 5) CLDP sent one advisor, Ann Main, to Cairo for one week to discuss trade in services issues with members of the Egyptian Government and interested private sector representatives.
- 6) CLDP sent an advisor to make recommendations to MOTS in the establishment of a WTO Unit within the ministry. Given the necessity to comply with obligations of the WTO Agreements, policy coordination among the ministries in Egypt has become paramount to successful management of multilateral, bilateral and regional trade policies. The basic function of the WTO Unit will be "Help coordinate Egypt's participation in WTO and oversee the implementation of Egypt's WTO obligations".

Upcoming CLDP events include organizing three study tours in the US for three Egyptian delegations. The first will be a study tour on trade remedies and will complement previous in-depth training held in Cairo by CLDP-sponsored USG experts.

Senior investigative experts will study practical ways to conduct cases in line with the WTO Anti-dumping and Subsidies Agreement. Three diplomatic attaches will travel to the US from Ministry of Foreign Affairs (MOFA) for a study tour on USG inter-agency coordination of trade policy and the dialogue between the private and public sector in the formulation of trade policy. As a follow-up to a conference on standards held in Cairo in April, nine GOE standards officials will travel to the US for a hands-on study tour focusing on the harmonization of Egyptian and international standards and the gathering and dissemination of trade-related information required by the WTO.

## II. Strengthening Intellectual Property Rights in Egypt (SIPRE)

SIPRE runs from June 1996 until May 2001. The project total funding is \$5.7 million. The project provides technical assistance to improve the protection of intellectual property in Egypt. Intellectual property includes patents, trademarks, copyrights, industrial designs, consumer protection and the repression of unfair competition. Working in conjunction with the government of Egypt, the project provides support for Egypt's efforts to bring its intellectual property protection into line with WTO standards. There are three main major areas that SIPRE is working in: improvements in the patent, trademark and industrial design offices; improvements in the legal framework for IPR; and provision of adequate resources for the concerned offices. This will help Egypt to create a more positive environment for investment and domestic innovation, encourage growth of the private sector, and promote international trade.

SIPRE is assisting the GOE in the following areas:

- Drafting and amending IPR laws to be consistent with the WTO-TRIPS agreement. This includes, Copyright, Plant Variety Protection, Semiconductor layout Design protection, and the repression of unfair competition.
- Preparing of guidelines and IPR-related legal advice/assistance. These are guidelines for efforts.
- such as the examination of marks and patent applications and determining the novelty of industrial design.
- Modernizing the Industrial Property Offices in order to be up to date with international developments and intellectual property standards. This includes trademark archiving, automation of offices, database for offices.



- Preparing a draft law authorizing the TRIPS Contact Point to take action in certain types of intellectual property cases and guidelines on the types of action that would be appropriate in selected cases.
- Training of GOE employees in regard to IPR issues in accordance with TRIPS agreement.
- Preparing conferences and public awareness campaign concerning the IPR issues.

### III. Development Economic Policy Reform Analysis Project (DEPRA)

The purpose of the DEPRA Project is to support the GOEs economic reform program for trade policy, deregulation, and financial sector strengthening. DEPRA has conducted extensive studies dealing with the effects of tariffs and non-tariff barriers to trade. These include studies on:

- Maritime Port Services.
- Standards & Quality Control
- Review of selected product standards.
- Pre-certification of Import Standards.
- Enhancing Exports/Macro Policies.
- Export Promotion/Micro Strategies.
- Trade Remedies Analysis Automation.
- Effective Rates of Protection,
- Regional Economic Integration.
- Poultry Tariff & Trade Policy.
- Establishing a Product Register in GOEIC.
- Egypt's obligations under the GATT/WTO.
- Forecasting Real Exchange Rate Impacts on Exports.
- Processed Food Exports and European Union/Egypt Trade Policies.
- Economic Analysis of Transportation Rates.
- Trade Barriers to Egyptian Furniture Exports.
- Trade Policy Analysis.

DEPRA plans workshops on the following WTO-related issues:

- Impact of Removing the Ban on Fabric Textiles.
- Trade Policies for Transportation Equipment Manufacturing.
- Enhancing Egypt's Exports to COMESA Countries.
- Review of GOE Policy Reforms.
- Effect on Export Production of Tariff Structure.
- Economic Cost of Custom Clearance Procedures.
- Enhancing the Effectiveness of Higher Export Council's Sector Boards
- Enhancing the Effectiveness of GOE Export Promotion Agencies.
- Development of the GOE Export Promotion Agencies.
- How to Enhance MOTS Trade Policy Analysis Capability.
- Pre- and Post-Shipment Export Financing.

DEPRA's most recent WTO-related assistance is compiling a comprehensive, two volume report about "Egypt: Obligations And Commitments under the General Agreement on Tariffs and Trade (GATT)/WTO Agreements. The report included three appendixes in addition to the main report. First appendix is "Egypt's GATT/WTO Schedules of Tariff and non-Tariff Concessions". Second one is

"Egypt's Schedules of Specific Commitments under the GATT". Third appendix is "Summary Chart for Egypt's WTO Notification Requirements.

#### IV. Agricultural Policy Reform Program (APRP)

The Agricultural Policy Reform Program (APRP) has assisted the GOE in the area of WTO. APRP provided technical assistance to work with the Ministries of Agriculture and Land Reclamation (MALR) and Trade & Supply (MOTS) to ensure conformity with WTO rules and to discuss issues in preparation for the Millennium Round in Seattle. Mr. Anderson gave seminars at the Ministry of Trade, at APRP for the Ministry of Agriculture and at USAID. APRP/TA has contacted and negotiated with the GOIEC TRIPS Contact Point at MOTS to include MALR representation on the management of the Contact Point. Also, to include agricultural IPR concerns on the agenda of contact point concerns (principally breeders rights, plant variety protection, etc.) APRP/TA has sponsored and organized a seminar for policy makers and a training course for analysts from the MALR, MOTS, MPE (**holding companies**) and the private sector on intellectual property rights in agriculture, in the context of the TRIPS agreement. APRP/TA is supporting the development of a ministerial decree on plant variety protection to ensure GOE adherence to the UPOV agreement. APRP/TA has planned (starting September 4, 1999) a study of the technology transfer policy of the Agricultural Research Center and of the AGERI. APRP/TA has launched a study of the impact of the EEC agricultural agreement on Egyptian agriculture. One aspect of this study is to prepare Egyptian positions for the Millennium round in Seattle.

#### V. Subsidy & Dumping Procedures Workshop funded under FT-800 & DEBRA

USAID is funding a conference and a three-day workshop covering "Subsidy and Dumping Procedures" on October 2-5, 1999. The conference will be conducted in cooperation with the WTO, European Community, World Bank and the Anti-Dumping and Subsidy Department within the Ministry of Trade and Supply.

The objective of this event is to provide the participants with the necessary academic and practical knowledge and understanding to be able to deal with the sophisticated anti-dumping and anti-subsidy procedures. Dumping cases are real liabilities to developing countries because they are not acquainted with the laws, regulation, and administration practices in the importing countries. In addition, they lack the experience and experts in confronting the dumping procedures. In addition, these will be among the important issues that will be tackled during the next round of negotiations related to trade remedies under the WTO.

#### USAID/Sri Lanka

USAID is active in the following areas of trade and investment liberalization:

**Intellectual Property Rights (IPR):** Draft amendments to the 1979 IPR law approved by the Government of Sri Lanka (GSL) go far beyond WTO requirements and will provide significant protection to holders of copyrights and patents, particularly with regard to software and related industries. Passage of the law is expected in 1999. Technical assistance provided by USAID through International Executive Service Corp (IESC) was instrumental in helping the GSL draft comprehensive new legislation and in gaining the support of stakeholders for the amendment.

**Agro-industry Policy Reforms:** Agricultural business associations advocated for a series of policy reforms to permit importation of modern seed, genetic material, and productivity enhancing technologies, as well as to standardize tariffs on livestock feed and related machinery.



Many of these reforms were accepted by the GSL as it began drafting its budget proposals for 1999, and are expected to become law in 1999. Progress is also expected on reforms to reduce high tariffs on packaging material. USAID-funded assistance through Oregon State University/Development Alternatives Inc. (OSU/DAI) provided technical support to associations on effective agricultural reform policy dialogue. Such assistance also helped associations, such as the dairy association, identify and avoid advocating protectionist policies that would have made their sectors noncompetitive.

**Private Infrastructure Investment Policies and Practices:** The 51 megawatt privately owned Asia Power Plant was commissioned in June 1998, 10 months ahead of schedule. This project is the first to be implemented by the Bureau of Infrastructure and Investment (BII) and indicates success of USAID technical assistance. Improvements in BII procedures include providing drafts of all agreements to potential bidders and conducting environmental impact assessments prior to the issuance of the tender documents. These steps will further reduce the time between issuance of the tender and completion of the project.

**Environmental Management:** An ISO 14000 User Association was formed with technical assistance through IESC volunteers. The Association will begin holding seminars and workshops to educate business and other groups on environmental standards with only limited technical support from IESC.

### USAID/Indonesia

USAID has provided support for the Indonesian Government's active participation in the WTO for nearly six years—first through its Trade Implementation Policy Project (TIPP) and now through the Partnership for Economic Growth (PEG). That support has included training courses in each of the major negotiating issues of the Uruguay Round, technical assistance in the preparation of Uruguay Round offers, and extensive legal assistance in the preparation of the domestic laws needed to implement the Uruguay Round Agreements. Staff from the PEG project provide briefings to Government officials on WTO notification requirements, the interpretation of various WTO legal agreements, and in preparation for WTO ministerials and committee meetings. The PEG project is also working with Government officials to determine technical assistance needs in support of the upcoming WTO negotiations on agriculture and services. Because of the complexity of the services negotiations, PEG will likely provide general training on constructing offers for the services negotiations and more detailed assistance on selected services sectors.

### USAID/Philippines

The Agile Project addresses trade and investment liberalization in the areas of Agriculture, Telecommunications, Competition & Intellectual Property, and the Legal-regulatory-judicial framework.

**AGILE (Accelerating Growth, Investment, and Liberalization with Equity):** AGILE is a four-year program, financed by USAID, to assist the Philippines in economic policy reforms designed to generate growth, create jobs, and reduce poverty. Philippine government agencies and non-governmental organizations use AGILE's assistance to advance the national agenda for economic policy reform in several areas.

- Stabilizing and deepening the financial sector
- Strengthening fiscal policy
- Facilitating international trade
- Making investment more competitive



- Improving economic governance

**Liberalizing and Expanding Trade and Investment:** The Departments of Trade and Industry, Agriculture, Transport and Communication, and Tourism, as well as the National Economic Development Authority, National Telecommunications Commission, and the Bureau of Customs have all requested AGILE assistance to open up more trade and investment opportunities, increase competition, and reduce the infrastructure-related costs of doing business in the Philippines.

- Improving customs procedures and evaluating tariff policies
- Setting up internationally approved mechanisms to combat unfair trade practices
- Providing protection to intellectual property
- Promoting competition and growth in telecommunications, information technology, air transportation, inter-island shipping, and the energy sector
- Strengthening marketing and trade in agricultural commodities
- Strengthening the government's investment planning capacity

## Other ANE Economic Growth Activities Focusing on Trade and Investment Policy

**Vietnam:** assisted Government of Vietnam drafters of a new Companies Law integrate modern commercial law principles. In addition, the U.S.-Vietnam Trade Council has received a grant from USAID to help the Government of Vietnam develop the policy framework needed to move toward international trade and investment standards. Specifically, the program will improve understanding of four policy areas at the top of the Vietnamese trade agenda. These relate to trade in goods; trade in services; foreign investment law; and intellectual property rights. This work will help prepare the Vietnamese for WTO accession, a bilateral trade agreement with the U.S., and other trade agreements. The work of the U.S.-Vietnam Trade Council will be carried out in conjunction with the U.S. Embassy in Hanoi, the Government of Vietnam, and the Duke University Law School.

**Mongolia:** already one of the most open economies in the world, the USAID advisor in the Prime Minister's office assists in further liberalizing the entire range of trade and investment policies.

**Bangladesh:** helping the Government of Bangladesh meet its WTO obligations, supporting liberalization of agricultural trade policies, and working in concert with the Department of Energy to attract private investment into the gas sector.

**Nepal:** opening up Nepal's hydropower sector to private investment, which already includes two U.S. firms in the early stages of developing hydropower projects

**Jordan:** strengthening the financial system and helping the Government of Jordan meet its WTO commitments, including stricter IPR protection, to facilitate private investment.

**West Bank/Gaza:** support for PALTRADE, the most influential business organization in the West Bank/Gaza, works to increase trade with Arab markets, encourage industrial zone development, link local firms with foreign suppliers, and strengthen administrative capacity of the Palestinian Authority.

## **Regional trade and investment initiative (RTII) for North Africa**

- Provide technical assistance and training to three different target countries: Morocco, Algeria, Tunisia.
- Responds to a State Department initiative to strengthen relations between the U.S. and the Maghreb, increasing U.S. economic presence in a region dominated by European sphere.
- A positive business climate, modern dispute resolution processes, transparent government procurement procedures and strong IPR protection will attract more U.S. companies.
- USAID is already in the process of conducting detailed investment climate studies in these countries.



## USAID Support for Trade and Economic Integration To Latin American and Caribbean

Support for trade and economic integration in the hemisphere is a special objective of USAID's Latin America and Caribbean Bureau under its mandate to support the goals of the Summit of the Americas. At the Summit of the Americas in December 1994, the heads of state of the Hemisphere's 34 democracies united in pursuing greater hemispheric prosperity through open markets, hemispheric integration and sustainable development. They signed the Summit of the Americas Declaration of Principles and Action including a pledge to establish the Free Trade Area of the Americas (FTAA) by 2005.

It was also recognized by the Summit that developing, and especially smaller, economies face important challenges to fully participating in the process of economic integration. Reflecting this, the Summit Plan of Action pledged that "technical assistance will be provided to facilitate the integration of the smaller economies and increase their level of development." USAID has supported this commitment through its Central America Regional Program in Guatemala, the Office of Regional Sustainable Development in Washington, and the Caribbean Regional Program in Jamaica.

In Central America, the Guatemala Regional Program has provided technical assistance, training and research in support of Central America's efforts to reform its regional trade regime. This assistance has contributed importantly to the adoption by Central America of a more outward-oriented regional integration model characterized by lower external tariffs, accelerated implementation of World Trade Organization (WTO) commitments, and reductions in both intra- and extra-regional non-tariff trade barriers.

In the Caribbean, USAID has supported the Caribbean Community (CARICOM) countries' continued participation in the process of hemispheric economic integration through technical assistance to support trade liberalization reforms consistent with meeting WTO obligations in the areas of telecommunications, agriculture and customs. In addition, support has been provided in the formulation of agricultural trade policy.

In South America, support was provided for International Labor Organization (ILO) standards through funding to develop a Labor Inspections Manual and provide training to Labor Inspectors in Paraguay. In the area of competition policy, funding was provided to support the development of anti-trust legislation in Brazil and Argentina, consistent with the Southern Common Market (MERCOSUR) Protocol on Competition Policy.

USAID is working with other donors, regional trade-supporting institutions, and members of civil society in the implementation of trade capacity-building programs.

Illustrative examples of USAID assistance are as follows:

### **Support for International Labor Standards**

- Assistance is being provided to strengthen Central American labor ministries to better enforce labor codes and protect core labor standards and to enhance the ministries' abilities to promote better labor-management relations
- To improve the quality of labor inspections in Paraguay, funding was provided to the US Department of Labor to work with Paraguayan officials to develop a Labor Inspection Procedures Manual and train inspectors on its use.



### **Agriculture & Biotechnology**

- Four CARICOM countries have met their WTO Enquiry Point obligation under the Sanitary and Phytosanitary Agreement and are now assisting the other ten countries to become compliant with the help of USAID and USDA technical assistance and training.
- The Caribbean Agricultural Trade Policy Project provides technical assistance and training to support CARICOM's participation in the WTO and FTAA processes by improving technical and analytical capacity in trade policy, increasing understanding of economic adjustment options and consequences, and raising awareness of benefits from lower trade and investment barriers.
- The Caribbean Food Safety Initiative assists CARICOM members in designing and implementing food safety systems to meet international and U.S. standards. In addition to workshops and technical assistance, a food safety needs assessment is presently being conducted for each CARICOM country to determine future needs.

### **Legal-Regulatory-Judicial Framework**

- Experts from the Federal Trade Commission and the Department of Justice provided technical assistance to Brazil and Argentina to develop anti-trust legislation, provide training seminars, and advise on cases.
- A grant was provided to the Caribbean Law Institute (CLI) to work with the attorneys general in the CARICOM region on the development of commercial legal reforms that will foster sustainable trade. Key areas addressed under the grant are (1) fair competition and consumer protection; (2) dispute resolution; and (3) environmental law.

### **Institutional Capacity Building**

- To increase CARICOM countries' capacity to participate in external trade negotiations, USAID established the Trade Information Network "Virtual Secretariat", an information and communication system which links CARICOM's regional trade-supporting institutions and will soon include member countries' trade ministries. The Internet-based network provides a forum for sharing FTAA, WTO and other trade-related information among members to advance external trade negotiations, assist members in implementing trade liberalizing policies, developing negotiation platforms, and sharing trade-related information.

### **Business Facilitation**

- CARICOM member countries have a better understanding of their commitments under the WTO Customs Valuation Agreement as a result of USAID-funded training and technical assistance provided by the U.S. Customs Service.
- In Guatemala, a scoping study was recently completed on Customs Control & Release Systems in response to interest expressed by the Government for technical assistance to implement a control and release system under their customs administration. The study examines current systems for the control and release of commercial cargo, current insurance practices (related to the bonding/surety of imports/exports), and Guatemalan experience and specific local issues of concern related to customs and control and release systems in particular, and recommends an approach to implement a control and release system in Guatemala.

### **Telecom & E-Commerce**

- To assist Organization of Eastern Caribbean States (OECS) countries in their efforts to open their telecommunications markets and set up a common regulator, funding was provided for a series of workshops for Caribbean telecom regulators. Conducted by the Center for Strategic and International Studies and the Federal Communications Commission (FCC) in the Eastern Caribbean, these workshops advised regulators on key measures needed for market opening and provided training on particular regulatory issues as they relate to electronic commerce and Internet-based services.



## USAID TRADE AND INVESTMENT PROJECT IN KAZAKHSTAN, KYRGYZ REPUBLIC, UZBEKISTAN AND TURKMENISTAN

For the past four years, USAID has been directing a technical assistance project in Kazakhstan, the Kyrgyz Republic, Turkmenistan, and Uzbekistan that assists these Central Asian countries in joining the World Trade Organization (WTO). In this leadership position, USAID has been at the forefront of the region's economic development, as these countries continue to liberalize their trade and investment regimes in preparation for WTO membership. During this period, more than 200 key laws, regulations, and policies have been revised to meet WTO standards in such areas as trade, customs, intellectual property, investment, procurement, standards, and antidumping. Quantitative restrictions, export licenses, price controls, and other constraints have been eliminated. At the micro-level, administrative regulations and systems have been developed to help local officials implement the new policies. Finally, to support these reforms, more than 1,500 government officials, judges, journalists, business persons, and lawyers have been trained in WTO-related policy and legal reforms.

USAID's assistance to these Central Asian Republics have emphasized the following:

### I. WTO Accession Process

WTO accession is a process driven activity. To accelerate this process, it is critically important to identify, coordinate, and manage the numerous procedural steps along the path to full membership. This focus on process management was a key factor in helping the Kyrgyz Republic become a WTO member in record time – the first of the former Soviet Republics to join. The Project's assistance has ranged from supporting the completion of the Memorandum of Foreign Trade Regime and coordinating Working Party meetings at WTO to aiding in the submission of initial offers and facilitating communication during bilateral and multilateral negotiations.

### II. Policy Reform

WTO membership requires compliance with dozens of trade and investment-related legislation, regulations, and practices. From its onset, the Project has been involved in the identification and elimination of constraints to a liberalized trade and investment environment. Over 200 key laws, policies and regulations relating to trade and investment have been modified for WTO compliance.

### III. Institutional Strengthening

The ability of government agencies to implement and enforce legislation and regulations is critical in the continued strengthening of the trade and investment environment. A significant portion of the technical assistance provided under this Project has focused on the development of such institutional capabilities. The Project has provided hands-on training, as well as formal classroom training, to dozens of institutions in the four countries, including the following:

**Overview of WTO:** WTO Agreements; benefits of membership; process for accession; rules and procedures on dispute settlement. Provided to government officials, judges, lawyers, business community, journalists, and university students/faculty in Kazakhstan, the Kyrgyz Republic, Uzbekistan and Turkmenistan.



**Customs Train-the-Trainers:** Nomenclature-harmonized system; customs procedures; and customs valuation. Provided to Customs officials in Kazakhstan, the Kyrgyz Republic, and Uzbekistan.

**Intellectual Property:** WTO Intellectual Property Agreement; intellectual property rights concepts; benefits; and international best practices. Provided to Kyrgyz Parliamentarians.

**Foreign Investment:** WTO Trade Related Investment Measures Agreement and investment legislation. Provided to government officials, business community, judges, and lawyers in Kazakhstan and Kyrgyz Republic.

**Anti-Dumping (AD)/Countervailing Duties (CVD) — WTO AD/CVD Agreement:** Provided to the Antimonopoly Committee in Kazakhstan

#### IV. Relation Building

Key to successful WTO accession is the existence of clear and continual communication between the acceding government and the WTO. Of similar importance is the need for regular communication with all stakeholders involved in the WTO accession process. These parties include relevant ministries, multilateral organizations, donors, contractors, and foreign and domestic investment communities. Since numerous government ministries are involved in the WTO accession – and thus can become roadblocks to membership – it is critical that all major parties have been educated on the benefits of WTO and are committed to becoming a member of the international trading community.

“We are grateful for the Project and for the work done on passing all the stages of the accession process by the [Kyrgyz] Republic to the WTO. The opportune fulfillment of that work resulted in a significantly efficient process which made it possible for the Kyrgyz Republic to join the WTO this year, though many countries have failed to join the WTO within such a short period of time.” Excerpt from a translated letter from Mr. E. Omuraliev, Chairman of the Kyrgyz Republic’s Interdepartmental Commission for Negotiations with the WTO.

“The Government of Kazakhstan would like to thank USAID for their assistance... The activities of the Agency’s Trade and Investment Project in Kazakhstan have made real progress towards the difficult work of economic market reform of Kazakhstan and its entrance into the international marketplace.” Quotes from a translated letter from Mr. V. Sobolev, Vice Prime Minister of Kazakhstan.



## COMMERCIAL LAW DEVELOPMENT PROGRAM, US DEPARTMENT OF COMMERCE

Since 1992, The Commercial Law Development Program (CLDP) of the US Department of Commerce, funded by USAID, has provided technical assistance on GATT/WTO matters to the countries of Eastern Europe and the Newly Independent States. CLDP provides Resident Trade Experts to the respective countries to serve in an advisory role with the leading government ministries of the host government tasked with trade policy and negotiations. Additionally, CLDP conducts short-term programs including seminars and in-country workshops on specific substantive issues. The goal of the technical assistance provided by CLDP is to support the respective governments' efforts to accede to the World Trade Organization (WTO) and to improve the legal climate for doing business in those countries. These programs help to fulfill the US Government's pledge to assist the NIS to develop market-based economies and to become productive members of the international trading community. Some of the current assistance includes the following countries:

### I. RUSSIA

Since 1994, CLDP has supported Russia's efforts to accede to the World Trade Organization by providing the Government of Russia (GOR) with a Resident Trade Expert (RTE). The Resident Trade Expert works on a daily basis with the GOR Ministry of Trade and other relevant Ministries on WTO accession matters. The RTE's work includes:

- Analysis of laws and regulations regarding WTO compliance;
- Counsel to improve the customs regulations and procedures for WTO compliance;
- Regulatory reform in sectoral areas;
- Advice on industrial and regional subsidies in terms of WTO compliance;
- Studies of legislative actions necessary for WTO accession;
- Advising public institutions and private enterprises on the benefits of WTO membership.

CLDP short-term programs encompass all WTO Agreements and issues related to trade liberalization. The following are a sample of recent CLDP short-term programs:

- A one-week training program in March, 1999, in Washington, DC, to assist the Russian Governments' enforcement and compliance with WTO agreements on intellectual property rights;
- A one-week training program in March, 1999, in Washington DC, to introduce methods of coordination between the executive and legislative branches of the Russian Government and between the federal and regional governments on trade policy;
- A two-day workshop in June, 1999, in Moscow, Russia, to assist the Russian Government's implementation of international standards in Sanitary Phytosanitary Measures/Technical Barriers to Trade (SPS/TBT).

### II. UKRAINE

CLDP has supported Ukraine's efforts to accede to the WTO by providing a Resident Trade Expert in Ukraine to work daily with his colleagues in the Ministry of Foreign Economic Relations and Trade (MinFERT). The RTE continues to work with them to help raise awareness of the importance of WTO



accession among senior and mid-level Ukrainian Government officials. Some of the RTE activities include:

- Analysis of laws and regulations regarding WTO compliance;
- Counsel to improve the customs regulations and procedures for WTO compliance;
- Assistance with the procedural requirements of WTO accession;
- Teaching international trade law to young lawyers and government officials;
- Contributing to publications on WTO matters to increase the public's knowledge of WTO issues; and
- Advising public institutions and private enterprises on the benefits of WTO membership.

Specific technical assistance activities also included:

- Workshops at the Ukrainian Parliament (RADA) regarding WTO concepts, obligations, and the importance of passing WTO compliant legislation; and
- A one-week training program in October, 1999, in Washington, DC, for Ukrainian customs, RADA, and patent officials on the enforcement of intellectual property rights.

CLDP will continue to hold seminars and conferences in the coming year to focus on specific areas of the WTO. They will include:

- A cooperative effort between CLDP and the Institute on Legislative Problems to study actions the RADA must take to insure that Ukraine's existing and future legislation is compliant with the WTO obligations.



## GLOBAL TECHNOLOGY NETWORK

USAID's Global Technology Network is a network of domestic and international partners that assist U.S. small and medium size firms seeking access to emerging overseas markets. GTN is operated out of USAID's Office of Business Development and focuses primarily on agriculture, communications and information technology, environment and energy, and health technology. GTN facilitates the transfer of U.S. technology and services to developing countries by matching a local company's development needs with U.S. firms equipped to provide the appropriate technological solutions.

A new initiative of USAID's Global Technology Network is the REGIONAL TRADE INITIATIVES. GTN provides electronic commerce linkages that facilitate domestic and regional trade in USAID-assisted regions worldwide. With USAID regional bureau or mission funding, GTN will install an electronic trade opportunity matching system and a communications network in selected host country organizations, train local staff on their use. The GTN regional initiative complements USAID strategic objectives by creating a permanent link to domestic, regional and US markets.