

**What is TESS?**

The Trade Enhancement in Service Sectors (TESS) Project is a USAID-funded program aimed at raising the profile and awareness of services sectors among development practitioners and policy makers and supporting service sector liberalization and advancement. A technical assistance, training and analysis facility and information clearing house all-in-one, TESS supports USAID missions in formulating and implementing effective policy and programmatic interventions by providing sector diagnostics, best practices, lessons learned, customized recommendations and program design and implementation.

**What are the Advantages of TESS?**

TESS provides a streamlined rapid response mechanism for Missions carry out activities related to the services sector. Since it is a pre-competed contract, obtaining TESS services requires minimal paperwork – no additional procurement required. TESS also provides a variety of funding options including bilateral mission buy-in, co-financing from EGAT, and core funding. Currently, TESS has a ceiling of \$3 million available for buy-ins.

**Why the Focus on Services?**

In most countries, Services account for a large portion of GDP, a significant share of foreign direct investment, a major source of employment and a growing sector of trade. Services are critical growth-generating 'force multipliers' that support and increase competitiveness and productivity across all other sectors. For example, financial services are crucial in the transformation of savings to investment, telecommunications in the diffusion of knowledge, transport and distribution services in facilitating trade and commerce, education and health in building human capital, and business services in reducing transaction costs and adding value.

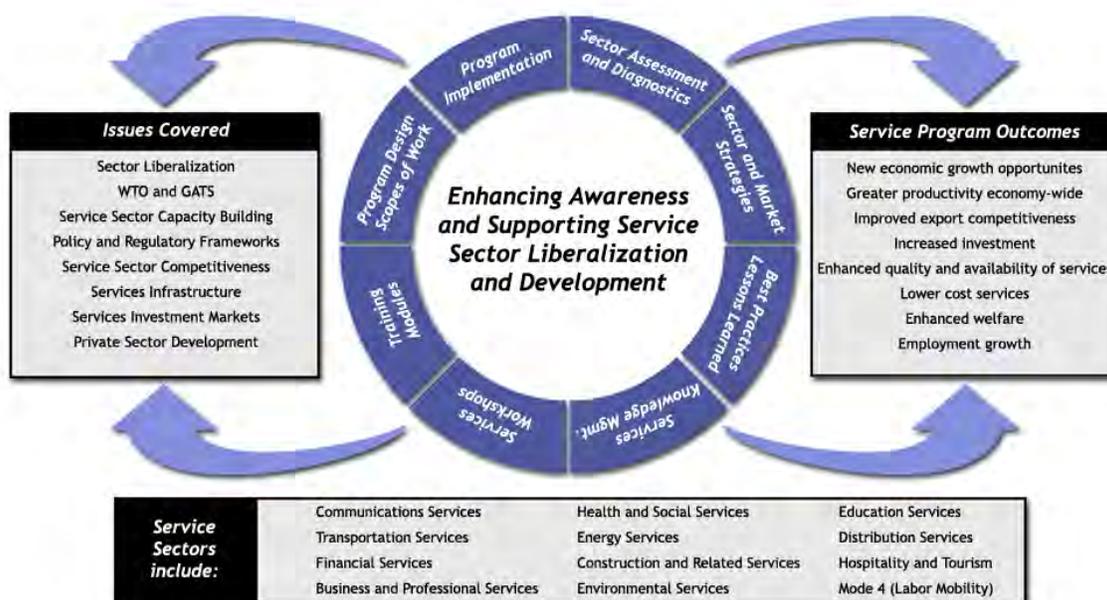
Many developing countries are yet to maximize the growth potential of services sectors due to weak market, legal and regulatory frameworks. Furthermore, while liberalization of trade in services is a major emphasis of the Doha round of World Trade Organization (WTO) negotiations, most developing countries have been slow to actively participate in the corresponding General Agreement on Trade in Services (GATS).

**Services Snapshot**

- Services, on average, account for around 55 percent of GDP in low and middle-income countries.
- Global services exports in 2003 reached \$1.7 trillion, around one quarter of merchandise exports.
- Developing countries could increase their annual income by \$900 billion just from eliminating their own barriers to trade in services.

Source: World Bank

**TESS Service Areas and Outcomes**



## What Can TESS Do For You?

- ◆ Assist the development of national & regional services liberalization and trade strategies
- ◆ Provide diagnostic methods, tools, best practices, scopes of work and technical support for liberalization of service sectors
- ◆ Provide information on your particular service sector questions
- ◆ Support trade capacity building for services

## Why is TESS a Useful Tool for USAID Missions?

TESS is a flexible program able to proactively inform and support the wider USAID community on service sector issues while rapidly responding to specific technical requirements of individual Missions. Activities include:

- ◆ **Rapid Response Assignments / Bilateral Mission Support** – TESS can offer teams to design, evaluate and provide technical assistance in service sector liberalization, as well as conduct service sector capacity assessments and training.
- ◆ **Analyses/Special Studies** – Discrete analytical studies related to the role of services in trade, competitiveness, service sector capacity development and trends in service sectors.
- ◆ **Training Seminars** – Training seminars for USAID personnel, and governmental and private sector counterparts that focus on service sector trade issues, solutions and technical resources. These seminars emphasize regulatory, policy or competitiveness issues specific to a service sector, country and/or region. Customized training modules can be developed to meet specific Mission training needs.
- ◆ **Knowledge Management** – The TESS website serves as a clearinghouse for information of service sector trade issues. Visitors can access a comprehensive services research guide, information on TESS activities, studies, sector briefings, seminar presentations, toolkits and guidance in accessing TESS services.



TESS is funded by the United States Agency for International Development. For more information about USAID, visit [www.usaid.gov](http://www.usaid.gov).



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## Past and Ongoing TESS Activities

Since September 2002, TESS supported over 15 specific tasks in over 20 countries aimed at creating awareness of service sector issues and advancing service sector liberalization, capacity building and investment:

### Rapid Response Assignments:

- ◆ Technical Assistance to the Fair Trading Commission of Jamaica
- ◆ Technical Assistance to Barbados Fair Trading Commission (FTC) on Interconnection Issues
- ◆ Promotion for Certified International Professional Accountant Program in Russia
- ◆ Support for Securities Markets in Botswana
- ◆ Introducing a Standardized Credit Hour System for Higher Education in Central Asian Republics
- ◆ Enhancing Export Capacities of Mauritian IT and Business Process Outsourcing (BPO) Service Suppliers
- ◆ Marketing Strategy for Sector Investment in Kyrgyzstan

### Training Seminars:

- ◆ Russian Electricity Industry Restructuring
- ◆ Harmonized Telecommunications Liberalization and Regulation in the Eastern Caribbean
- ◆ Transport, Logistics and Trade: A Focus on Civil Aviation
- ◆ Asset Building for Sustainable Development

### Special Studies:

- ◆ Impact of Transport and Logistics on Trade—Role of Transportation and Logistics in International Trade. (*4 studies, including a global study and country assessments in Nicaragua, Indonesia and Mali*).
- ◆ Enhancing the Role of Émigré and Diaspora Communities in Economic Development (*Two separate studies*)

## Contact TESS

For more information or to access TESS services, please feel free to contact:

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