

*United States Government*  
*2004 Trade Capacity Building Assistance (\$US)*  
**EL SALVADOR**

Activity Title	Activity Description	TCB Category	FY 04 Total
<b>Agriculture Diversification, Export, and Technology (AGRITECH 21)</b>	USAID will help enterprises increase domestic sales and exports of non-traditional, high-value agriculture products. In addition, the intervention will improve value added processing, increase access to markets, build long-term business relationships and introduce new agricultural technologies. It will stimulate job creation and increase sales of horticulture products including short-term cycle fruits, vegetables, ornamental plants, tropical flowers, and specialty coffee as well as tackle SPS issues facing private producers. Building on the Rural and Agricultural Diversification project, USAID AgriTech21 will focus primarily on addressing key production constraints, business development, marketing, and sales of agriculture products. The activity will try to leverage private sector and donor resources to improve agriculture sector competitiveness. This activity is in support of the Central America - Dominican Republic FTA negotiations. Funded and implemented by USAID/El Salvador.	Trade-Related Agriculture	<b>1,100,000</b>
<b>Artisan Development Activity (REACH)</b>	USAID is strengthening the Salvadoran artisan sector and developing exports and local sales of handicrafts through the Revitalizing Economic Activity with Creative Hands (REACH) project, implemented by Aid to Artisans (ATA). The Ministry of Economy's National Commission for Micro and Small Enterprise (CONAMYPE) is co-sharing implementation of REACH through a contribution of \$500,000. The goal of the Artisan Development Activity is to increase employment and income opportunities for micro and small artisan entrepreneurs by enhancing their capacity to produce and market crafts, and increasing their access to international markets. This activity is in support of the Central America - Dominican Republic FTA negotiations. Funded and implemented by USAID/El Salvador.	Export Promotion	<b>500,000</b>
<b>Cleaner Production Program</b>	USAID/El Salvador, the Ministry of Environment and Natural Resources (MARN), and the private sector seek to improve competitiveness and expand exports in an environmentally sound manner in order to reduce the costs of production, promote resource recovery, and voluntarily reduce pollution. USAID will help develop an incentive program to promote cleaner production in El Salvador and strengthen the Salvadorian Clean Production Center to provide environmental services to the private sector. This activity is in support of the Central America - Dominican Republic FTA negotiations. Funded and implemented by USAID/El Salvador.	Environmental Trade & Standards	<b>500,000</b>
<b>Enhanced SPS Capacity</b>	USAID activities will: (1) enhance knowledge of SPS requirements in main trading partner markets, (b) enhance knowledge of technical guides, risk assessment procedures, regulations, and processes of quality control for fruits, vegetables, fishery and agriculture products, and (3) increase capacity building for firms that process agricultural products for export to enable them to fulfill the technical requirements established by the importing country. This activity is in support of the Central America - Dominican Republic FTA negotiations. Funded and implemented by USAID/El Salvador.	Agreement on SPS	<b>900,000</b>

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<b>Export Activity and Competitive Intelligence Promotion (USAID/EXPRO)</b>	USAID/El Salvador, the Ministry of Economy (MINEC), and the private sector have developed an Export Promotion program (USAID/EXPRO) to reactivate the economy and support the transition to trade as part of the efforts to spur a US-CAFTA. Objectives of this project are: (1) strengthening the Ministry of Economy's institutional export and trade policy capacity, (2) improving access to trade and export information for the private sector, (3) increasing the capacity of Salvadoran businesses to access new markets by providing technical assistance and matching funds for firms already exporting (with MINEC), firms almost ready to export (CENTROMYPE), and firms that need to be prepared for export (with business associations), (4) expanding business contracts and sales, (5) strengthening the Salvadoran export services sector, (6) establishing strategic business alliances with U.S. companies, and (7) preparing a best-practices guide for businesses on how to export. This activity is in support of the Central America - Dominican Republic FTA negotiations. Funded and implemented by USAID/El Salvador.	Export Promotion	<b>2,750,000</b>
<b>Export Promotion and Technology (ExproTech)</b>	This proposed program will increase exports of Small and Medium Enterprises (SMEs), promote access to markets, help build long-term business relationships among enterprises, improve El Salvador's (both the Government of El Salvador [GOES] and the private sector) capacity to facilitate exports, and seek to leverage private sector and donor resources to improve SME competitiveness. USAID's ExproTech21 intervention will work with the private sector, business associations, and the GOES to strengthen business capacity, increase sales and jobs, and expand access to appropriate technologies. This activity is in support of the Central America - Dominican Republic FTA negotiations. Funded and implemented by USAID/El Salvador.	Export Promotion	<b>950,000</b>
<b>Financial Sector Development</b>	USAID will help micro, small and medium enterprises (MSMEs) increase access to financial services by improving financial institutions' understanding of MSME needs, assisting banks and other financial institutions to introduce new products and more appropriate management technologies, and by looking for ways to reduce lending risks. USAID will focus on those MSMEs with the greatest potential at creating jobs and increasing trade opportunities. It will also introduce a loan guarantee mechanism to share with the financial institutions to act as an incentive for these institutions to increase lending to MSMEs. This activity is in support of the Central America - Dominican Republic FTA negotiations. Funded and implemented by USAID/El Salvador.	Financial Sector Development & Good Governance	<b>2,500,000</b>
<b>Improved Environmental Policies and Regulations</b>	The U.S. Government, USAID/El Salvador, and the Ministry of Environment and Natural Resources (MARN) seek to improve the effectiveness of the application of environmental laws in El Salvador in a cost effective manner that mutually supports development, environmental management and protect the lives of Salvador's citizens. Assistance will be provided by EPA through the USAID/GCAP PROARCA Activity. This activity is in support of the Central America - Dominican Republic FTA negotiations. Funded and implemented by USAID/El Salvador.	Environmental Trade & Standards	<b>15,000</b>

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<b>National Energy Policy Development</b>	This technical assistance grant will assist the Government of El Salvador in the development of a comprehensive plan for designing and operating an optical transport network to provide a market alternative for the El Salvadoran telecom sector. This trade capacity building project is considered a top priority for El Salvador as it prepares its economy for increased trade through the proposed U.S.-Central America Free Trade Agreement. (Activity# 200350025B) Funded and implemented by Trade and Development Agency.	Business Services & Training	50,585
		Regional Trade Agreements (RTA)	118,032
		Other Trade Facilitation	118,032
		Environmental Trade & Standards	50,585
		<b>Activity Total</b>	<b>337,235</b>
<b>National Import Processing System</b>	This technical assistance grant will assist the El Salvadoran Ministry of Economy (MINEC) in the development of a national import application processing information system to expeditiously handle the import documentation process. This trade capacity building project is considered a top priority for El Salvador as it prepares its economy for increased trade through the proposed U.S.-Central America Free Trade Agreement. (Activity# 200450007A) Funded and implemented by Trade and Development Agency.	E-Commerce & IT	193,746
		Regional Trade Agreements (RTA)	193,746
		<b>Activity Total</b>	<b>387,492</b>
<b>Removing Trade Barriers</b>	USAID will help the government of El Salvador (GOES) carry out policy analysis and promote public/private policy dialogue to identify and address three key barriers to trade, investment and exports. It will provide support to GOES and the private sector with technical assistance, training, and policy analysis and implementation. This activity is in support of the Central America - Dominican Republic FTA negotiations. Funded and implemented by USAID/El Salvador.	Business Services & Training	300,000
		Governance/Transparency & Inter-Agency Coordination	300,000
		<b>Activity Total</b>	<b>600,000</b>
<b>Rules of Origin and Customs Procedures</b>	USAID is providing assistance on rules of origin (ROO), customs valuation, and risk management. This assistance will focus on (1) improved ROO administration, (2) developing and implementing a risk management system, (3) implementing classification and valuation procedures, (4) generating more reliable, useful public information, (5) adopting streamlined procedures to expedite "speed to market" and other time sensitive shipments, and (6) selectively improving the legal and regulatory framework. This activity is in support of the Central America - Dominican Republic FTA negotiations. Funded and implemented by USAID/El Salvador.	Agreement on Customs Valuation Methods	450,000
		Agreement on Rules of Origin	450,000
		<b>Activity Total</b>	<b>900,000</b>
<b>Rural Organization and Environmental Conservation</b>	USAID/El Salvador is reactivating small and medium-sized agricultural businesses. Our program places a high premium on producers having a thorough understanding of market demand and requirements, thus making them more competitive and productive. Funded and implemented by USAID/El Salvador.	Trade-Related Agriculture	<b>966,000</b>

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<b>Rural and Agricultural Diversification</b>	USAID will help the rural Salvadoran agricultural sector by rehabilitating and constructing small irrigation systems, developing the agro-industry of coconut, cashews and vegetables, assisting in the construction of agro-productive roofs for cultivation of high value crops, promoting the production, transformation and marketing of organic agricultural products and working with specialty and quality coffee. Objectives include: (1) increasing the capacity of Salvadoran farmers and agribusinesses to acquire and adopt new technologies, (2) increasing the capacity of farmers and agribusinesses to identify new markets and develop their export capacity, (3) encouraging value added activities such as semi processing or fully processing specific fruits or vegetables to increase value added from the harvest, and (4) promote the sales of specialty and quality coffee. This activity is in support of the Central America - Dominican Republic FTA negotiations. Funded and implemented by USAID/El Salvador.	Trade-Related Agriculture	<b>3,300,000</b>
<b>Small Scale Economic Infrastructure</b>	USAID/El Salvador will conduct the Small Infrastructure Activity at the community level specifically to provide better access to the production areas and job marketing. It is estimated that USAID will be improving at least 12 activities in fiscal year 2005. This activity is in support of the Central America - Dominican Republic FTA negotiations. Funded and implemented by USAID/El Salvador.	Physical Infrastructure Development	<b>450,000</b>
<b>Tax Administration Policy (TAX)</b>	USAID has supported the government of El Salvador to increase tax collections since the early nineties and is planning to follow up and build upon that assistance. Objectives include: (1) increasing tax collections, improving detection of tax evasion, and increasing voluntary tax compliance through an efficient and effective administration of tax collections and tax laws and regulations, (2) avoiding macroeconomic instability and uncertainty, and (3) contributing to poverty reduction through the provision of resources needed to widen coverage of basic health and education. This activity is in support of the Central America - Dominican Republic FTA negotiations. Funded and implemented by USAID/El Salvador.	Governance/Transparency & Inter-Agency Coordination	<b>1,700,000</b>
<b>Treasury International Affairs Technical Assistance-Banking Program</b>	The Banking Team from the Treasury Department is providing advisors to the Government of El Salvador to assist in managing budget inflows and outflows. This will lead to more prudent fiscal policies, a more favorable climate for business, and the enabling environment for international trade. Funded and implemented by Department of Treasury/IATA.	Financial Sector Development & Good Governance	<b>22,824</b>
<b>Total FY 04 USG Trade Capacity Building Assistance to El Salvador</b>			<b>17,878,551</b>