

**United States Government**  
**2005 Trade Capacity Building Assistance (\$US)**  
**EL SALVADOR**

Activity Title	Activity Description	TCB Category	FY 05 Total
<b>Agriculture Diversification, Export, and Technology (AGRITECH 21)</b>	Activity to 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, 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 U.S.-Central America-Dominican Republic FTA. This activity is in support of the Central America - Dominican Republic FTA negotiations. Funded and implemented by USAID/El Salvador.	Trade-Related Agriculture	<b>2,000,000</b>
<b>Cleaner Production Program in El Salvador</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 US - Central America - Dominican Republic FTA. This activity is in support of the Central America - Dominican Republic FTA negotiations. Funded and implemented by USAID/El Salvador.	Environmental Trade & Standards	<b>350,000</b>
<b>Dairy Facility Inspection/Training and Needs Assessment</b>	This activity included technical assistance and program development to train health officials and industry on the US system of regulatory enforcement for dairy products regulated by the Food and Drug Administration. Funded and implemented by Health & Human Services/FDA.	Agreement on SPS	<b>26,194</b>
<b>Enhanced SPS Capacity in El Salvador</b>	Activity will enhance knowledge of sanitary and phyto-sanitary (SPS) requirements in main trading partner markets, technical guides, risk assessment procedures, regulations, and processes of quality control for fruits, vegetables, fishery and agriculture products. Activity will also 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 U.S.-Central America-Dominican Republic FTA. This activity is in support of the Central America - Dominican Republic FTA negotiations. Funded and implemented by USAID/El Salvador.	Agreement on SPS	<b>300,000</b>

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<b>Export Activity and Competitive Intelligence Promotion (USAID/EXPRO)</b>	USAID/EI 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 the U.S.-Central America-Dominican Republic FTA. Objectives are: (1) strengthening the Ministry of Economy's institutional export and trade policy capacity, (2) improving private sector access to trade information, (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/EI Salvador.	Export Promotion	<b>1,000,000</b>
<b>Export Promotion and Technology (ExproTech21)</b>	A new Export Promotion and Technology (ExproTech21) activity will continue working with Small and Medium-sized Enterprises (SMEs), the private sector, business associations and the Government of El Salvador to strengthen business capacity and competitiveness, promote access to markets, increase sales and jobs, and expand access to appropriate technologies. Activity to start in 2006. This activity is in support of the U.S.-Central America-Dominican Republic FTA. This activity is in support of the Central America - Dominican Republic FTA negotiations. Funded and implemented by USAID/EI Salvador.	Export Promotion	<b>4,450,000</b>
<b>Financial Sector Development in El Salvador</b>	Activity to 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. Activity 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. Activity in support of the U.S.-Central America-Dominican Republic FTA. This activity is in support of the Central America - Dominican Republic FTA negotiations. Funded and implemented by USAID/EI Salvador.	Financial Sector Dev. & Good Governance	<b>1,596,000</b>
<b>Food for Progress Program for El Salvador</b>	The program will complement the ongoing U.S. Government Trade Capacity Building activities in SPS areas. Key components consist of improving laboratory infrastructure and equipment so that local food products comply with international food safety regulations. Specifically, the U.S. Government will provide proceeds to agencies or recipient agencies to purchase laboratory equipment, improve laboratory infrastructure, and provide technical assistance in lab sampling and analysis. This activity is in support of the Central America - Dominican Republic FTA negotiations. Funded and implemented by Department of Agriculture/FAS.	Agreement on SPS	<b>500,000</b>

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<b>Activity Title</b>	<b>Activity Description</b>	<b>TCB Category</b>	<b>FY 05 Total</b>
<b>Management and Program Evaluations for TCB Activities in El Salvador</b>	Includes staffing, evaluations and studies to implement TCB activities under Country Plan. This activity is in support of the Central America - Dominican Republic FTA negotiations. Funded and implemented by USAID/El Salvador.	Other TCB	<b>1,024,000</b>
<b>Removing Trade Barriers in El Salvador</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 U.S.-Central America-Dominican Republic FTA. This activity is in support of the Central America - Dominican Republic FTA negotiations. Funded and implemented by USAID/El Salvador.	Competition Policy & Foreign Investment	<b>800,000</b>
<b>Rules of Origin and Customs Procedures in El Salvador</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 U.S.-Central America-Dominican Republic FTA. 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	175,000
		Agreement on Rules of Origin	175,000
		<b>Activity Total</b>	<b>350,000</b>
<b>Rural and Agricultural Diversification in El Salvador</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 U.S.-Central America-Dominican Republic FTA. This activity is in support of the Central America - Dominican Republic FTA negotiations. Funded and implemented by USAID/El Salvador.	Trade-Related Agriculture	<b>450,000</b>
<b>Small Scale Economic Infrastructure in El Salvador</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 twelve activities in fiscal year 2005. This activity is in support of the U.S.-Central America-Dominican Republic FTA negotiations. This activity is in support of the Central America - Dominican Republic FTA negotiations. Funded and implemented by USAID/El Salvador.	Physical Infrastructure Development	<b>40,000</b>

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<b>Tax Administration Policy (TAX) in El Salvador</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 U.S.-Central America-Dominican Republic FTA. This activity is in support of the Central America - Dominican Republic FTA negotiations. Funded and implemented by USAID/El Salvador.	Gov/Transparency & Inter-Agency Coord.	<b>1,560,000</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 Dev. & Good Governance	<b>24,806</b>
<b>Total FY 05 USG Trade Capacity Building Assistance to El Salvador</b>			<b>14,471,000</b>