

**Inter-American Development Bank
Technical Cooperation Program
Trade and Poverty Trust Fund**

Technical Cooperation Project Brief

TC N°: RS-T1331

I. GENERAL INFORMATION

Project title	Promoting Trade Knowledge among Parliamentarians of the Americas
Project team	Paolo Giordano (INT/ITD), team Leader; Carlos Cordovez (SDS/SGC); Ignacio Corlazzoli (RE2/SC2); Jaime Miranda (INT/RTC); Diego Buchara (LEG)
Trust Fund	Trade and Poverty Trust Fund (MTP)
Beneficiary Country	Latin America and the Caribbean countries
Executing Agency	Inter-American Development Bank
Project budget	US\$ 68,827
Trust fund contribution	US\$ 20,000
Local counterpart financing	US\$ 48,827
Execution and Disbursement period	Execution period: 6 months; Disbursement period: 9 months.

II. OBJECTIVES

- 2.1 The general objective of this technical cooperation is to promote knowledge of the economic, social and legal prerequisites of an inclusive pro-poor trade agenda. Specific objectives include contributing to: (i) strengthening the capacity of Latin American and Caribbean parliamentarians to understand the nature of a rules-based international trading system; (ii) improve their capacity to work with constituents, business and civil society in the formulation of international trade policy agendas and in the implementation of domestic complementary reforms that contribute to poverty reduction; and (iii) to foster the sharing of experiences and lessons learned and encourage dialogue and cooperation among parliamentarians of the hemisphere on issues relating to trade policy.

III. BACKGROUND AND JUSTIFICATION

- 3.2 The laws and regulations that result from multilateral, regional and bilateral trade agreements have profound effects at the national and local levels. Developing countries face a dual challenge in that they are the most vulnerable to the changes of economic globalization and have limited resources to address economic and social transformations induced by trade integration.

- 3.3 This is particularly true in Latin American and Caribbean countries, which have entered a number of complex trade liberalization processes at the multilateral, regional and bilateral levels, with, as noted in the IDB Trade and Poverty Trust Fund Program Concept Framework, “a weak analytical background, inadequate trade-related technical capacity in assessing the impact *cum* socially efficient adjustment policies and insufficient channels of interaction with stakeholders, most notably the poor”.
- 3.4 Given their role both in the ratification of international trade agreements and as an interface between citizens and governments, elected officials have a key role to play in the formulation and implementation of trade strategies. An informed dialogue between policy-makers and stakeholders on trade-related issues is indeed a necessary prerequisite to promote a better distribution of the gains from trade and ultimately contribute to poverty reduction. In the last decade the parliamentarians of the Americas have been at the forefront of the integration process. But their role is even more important today as there is a growing pressure stemming from mounting public concern on the distributive effects of trade agreements.
- 3.5 This pressure on elected officials was particularly noticeable at the Fourth Plenary Meeting of the Inter-Parliamentary Forum of the Americas (FIPA), held in Brazil in May 2005, where the working group on the Free Trade Area of the Americas expressed in its final recommendations “grave concern that the FTAA as it is currently being negotiated, without sufficient input from parliamentarians, could affect sovereignty, not solve social problems, benefit only large corporations, and affect negatively the agricultural sector.”
- 3.6 The call for pro-poor trade related policy was reiterated during the Fifth Plenary Meeting of FIPA held in November 2006 in Colombia. Parliamentarians represented in the Trade and Integration Working Group stated that “programs to alleviate poverty and improve living conditions should be created”, along with trade agreements.
- 3.7 The IDB Integration and Regional Programs Department has extensive experience in promoting the accumulation of trade-related knowledge among Latin American and Caribbean parliamentarians, particularly through the project “Sharing information on trade and integration with Latin American Congresses”.
- 3.8 This project seeks to build on the abovementioned past activities. It is developed in response to the renewed interest of parliamentarians of the region in participating more efficiently in the formulation of trade policies and in the implementation of complementary domestic policies. At the Fourth FIPA Plenary Meeting, the FTAA Working Group requested FIPA “to continue their efforts to encourage collaboration among parliamentarians to further the exchange of information and experiences regarding the negotiation, implementation and effects of international trade agreements”. In the Fifth FIPA Plenary Meeting the role of the Bank was highlighted as an important contribution to achieve these goals.
- 3.9 This project supports the first activity of a larger initiative being developed by FIPA aiming at systematizing ongoing efforts in the Americas with the objective of enhancing the

capacity of parliamentarians to perform their trade-related functions more efficiently. As such, the financial and technical support of the Bank is contributing to a wider set of collaborative efforts to strengthen the role of legislatures in the design of a pro-poor hemispheric trade agenda, at both the national and regional levels.

IV. DESCRIPTION

4.1 The main activity to be funded by this project is a two-and-a-half day training workshop bringing together 20 to 25 participants from legislatures of Latin America and the Caribbean. The workshop will be structured in five course modules. The training modules will include the following subjects:

- Politics and rule-making in the international trading system;
- Multilateral, regional and bilateral approaches to trade policymaking;
- Implementation and administration of free trade agreements;
- Role of parliaments in trade and development;
- Trade, gender and poverty nexus; and
- Government-citizen engagement and public consultations.

4.2 Each module will begin with the discussion of case studies relevant to the priorities of parliamentarians. Through the discussion of case studies, the parliamentarians will develop a thorough understanding of the technical issues at stake and of their political, institutional and regulatory implications. The specific cases, related to the topics above, will be selected by CTPL, the entity in charge of the content of the training modules (see para. 7.3), in consultation with the Bank.

4.3 Resources of the IDB TC will be used to finance the following :

- The development of the curriculum and the preparation and delivery in 2.5 days of five two-hour training modules to 20 to 25 participants from the legislatures of North, Central, and South America and the Caribbean. Open invitations to all Parliamentarians will be sent through the Presidents of the Parliaments (to both Chambers in those countries that have a bicameral regime). Participants will be selected on a first come first served basis while assuring geographic balance.
- The translation of the presentations in the official languages of participants;
- The production of a briefing book to be distributed to the workshop participants;
- The production of a summary report of the workshop proceedings; and
- The dissemination of the results of the workshop to FIPA network participants, through the FIPA website and other targeted means.

4.4 Local counterpart financing will be provided by the Department of Foreign Affairs and International Trade of Canada and by the Parliament of Canada. It will finance expenses

related with: i) travel and accommodation of the participants; ii) equipment; and iii) project coordination. The contribution of the Bank amounts to approximately 30% of the total project budget.

V. BUDGET (in US\$)

Figures in US\$	Trust fund	FIPA Secretariat	DFAIT ^{1/} and Parliament of Canada	Total
Consulting services				
Program development	16,500			16,500
Travel				
Travel tickets and per diem			19,541	19,541
Local transport and per diem			2,193	2,193
Equipment			4,300	6,510
Interpretation and Translation	2,210		1,720	1,720
Accommodation			12,251	12,251
Printing and Communications	1,290			1,290
Project Coordination		8,822		8,822
TOTAL	20,000	8,822	40,005	68,827

1/ Department of Foreign Affairs and International Trade of Canada

VI. EXPECTED RESULTS

6.1 As a result of the activities financed by the project, it is expected that:

- Legislators have a better understanding of the rules-based international trading system and of their role in promoting a more efficient and equitable economic global governance;
- Participants contribute, through their parliamentary functions, to the effective oversight of trade policies implemented by governments;
- Participants contribute to an informed dialogue on trade and pro-poor trade policies at the country level;
- Participants have a better understanding in working with constituents, business and civil society of the formulation of international trade policy agendas and the implementation of domestic complementary reforms that contribute to poverty reduction;
- Legislators of the hemisphere contribute to a regional dialogue on pro-poor trade and integration, by sharing their views and recommendations in the context of hemispheric institutions and coordination mechanisms;
- There will be enhanced collaborative efforts with a view at developing a permanent capacity-building process for the parliamentarians of the region; and

- Participants will relate the experience to their respective Parliaments to expand the effect of the activity.

VII. EXECUTION

- 7.1 The project will be executed by the Bank in the framework of a collaboration initiative involving the Secretariat of the Inter-Parliamentary Forum of the Americas - FIPA and the Department of Foreign Affairs and International Trade - DFAIT of Canada.
- 7.2 The Bank will be responsible for the procurement of goods and services, related to its financing, in accordance with the procedures set forth in documents GN-2349-7 and GN-2350-7.
- 7.3 In order to work most effectively with parliamentarians, the Bank will be assisted by the Secretariat of the Inter-Parliamentary Forum of the Americas - FIPA which will be responsible for organizing the workshop. FIPA will collaborate with the Centre for Trade Policy and Law – CTPL that will be in charge of the technical and academic content of the training modules. Annex I includes an institutional background information of FIPA and CTPL.
- 7.4 The Secretariat of the Inter-Parliamentary Forum of the Americas - FIPA is a non lucrative organization established under the Canadian law, functioning as an independent network gathering the national legislatures of those countries that are members of the Organization of American States (OAS). Issues relating to trade and hemispheric integration processes have been a priority of FIPA since its creation in 2001, notably through its working group on the Free Trade Area of the Americas.
- 7.5 The project team requests the approval of a sole-source selection procedure to hire FIPA, given that due to its extensive experience on promoting parliamentary participation in the inter-American system and on developing inter-parliamentary dialogue on issues of importance to the hemisphere, this institution is uniquely positioned to implement the activities of this project. The hiring of FIPA following the sole-source selection procedure is in accordance with paragraphs 3.10(d) and 3.15 of Document GN-2350-7.
- 7.6 The Centre for Trade Policy and Law - CTPL is a non-governmental, non-profit think-tank that specializes in research, training, advisory and trade capacity building services for public and private sector clients and international organizations. Its team of technical experts is comprised of in-house experts and senior associates, many of whom are former senior officials from trade-related Canadian federal departments and agencies. CTPL works closely with government ministries, the private sector and civil society organizations in developing countries and transition economies. Over the past decade, CTPL has established an international reputation for the expert design and delivery of professional trade policy, trade negotiation, and trade law training programs.

VIII. RESPONSIBILITY IN THE BANK

Technical Responsibility:

Paolo Giordano, Economist, Integration, Trade and Hemispheric Issues Division (INT/ITD) (ext. 2611, fax. 2169, email: paolog) will have technical responsibility.

Responsibility for Disbursements:

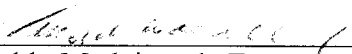
Jaime Miranda, Technical Cooperation Financial Transactions Official, Regional Technical Cooperation Division (INT/RTC) (ext. 2859, email: jaimemp) will have the responsibility of disbursements.

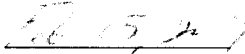
IX. RECOMMENDATION

Paolo Giordano (INT/ITD), designated team leader for the project of the reference, recommends the approval of this operation and the use of resources from the Trade and Poverty Trust Fund for up to US\$ 20,000 to finance this technical cooperation project.

X. CERTIFICATION

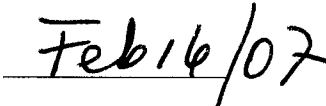
I hereby certify that this operation was approved for financing under the Trade and Poverty Trust Fund (MTP) by the respective Technical Review Committee on February 12th, 2007. Also, I certify that resources from the Trade and Poverty Trust Fund (MTP) are available for up to US\$ 20,000 in order to finance the activities described and budgeted in this document. This certification reserves resources for the referenced project for a period of twelve (12) calendar months counted from the date of signature below. If the project is not approved by the IDB within that period, the reserve of resources will be cancelled, except in the case a new certification is granted. The commitment and disbursement of these resources shall be made only by the Bank in US Dollars. The same currency shall be used to stipulate the remuneration and payments to consultants, except in the case of local consultants working in their own borrowing member country who shall have their remuneration defined and paid in the currency of such country. No resources of the Fund shall be made available to cover amounts greater than the amount certified herein above for the implementation of this Plan of Operations. Amounts greater than the certified amount may arise from commitments on contracts denominated in a currency other than the Fund currency, resulting in currency exchange rate differences, for which the Fund is not at risk.


Arnaldo Medeiros da Fonseca Jr.,
Chief RE2/TEC


Date

XI. APPROVAL


Nohra Rey de Marulanda, Manager
Integration and Regional Programs Department


Date

ANNEX 1: INSTITUTIONAL BACKGROUND INFORMATION

The Inter-Parliamentary Forum of the Americas (FIPA)

The Inter-Parliamentary Forum of the Americas (FIPA) is a non lucrative organization established under the Canadian law, functioning as an independent network made up of the national legislatures of those governments who are members of the Organization of American States (OAS). FIPA members are committed to promoting parliamentary participation in the inter-American system and to developing inter-parliamentary dialogue on issues of importance to the hemisphere. FIPA seeks to encourage the sharing of experiences and best practices amongst its members, and works to strengthen the role of legislatures in democratic development and to promote harmonization of legislation and hemispheric integration as instruments of sustainable and harmonious development in the region.

Issues relating to trade and hemispheric integration processes have been a priority of FIPA since its creation in 2001, notably through its working group on the Free Trade Area of the Americas.

The Technical Secretariat of FIPA, located in Ottawa, Canada, has coordinated numerous activities involving up to one hundred parliamentarians of the hemisphere, including plenary assemblies, seminars and special missions to inter-American events (e.g. Fourth Summit of the Americas, Ministerial Meeting on the FTAA).

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Centre for Trade Policy and Law (CTPL) – Ottawa, Canada

The Centre for Trade Policy and Law (CTPL) is a non-governmental, non-profit think-tank that specializes in research, training, advisory and trade capacity building services for public and private sector clients and international organizations. It was established in 1989 with a three-fold mandate to promote greater public understanding of trade and investment policy issues, to foster independent analysis and research on trade policy and legal issues, and to encourage the development of trade policy professionals and practitioners around the globe. Its team of technical experts is comprised of in-house experts and senior associates, many of whom are former senior officials from trade-related Canadian federal departments and agencies, including: the Department of Foreign Affairs and International Trade (DFAIT); Department of Finance; Industry Canada; Agriculture and Agri-Food Canada; Canada Customs and Revenue Agency (CCRA); and the Canadian International Trade Tribunal (CITT). CTPL works closely with government ministries, the private sector and civil society organizations in developing countries and transition economies.

Trade training expertise

Over the past decade, CTPL has established an international reputation for the expert design and delivery of professional trade policy, trade negotiation, and trade law training programs. The Centre has trained trade professionals from 60 developing countries and transition economies. Training topics cover a full range of WTO issues, including, customs and trade facilitation, financial services, telecoms services, agriculture and SPS issues, textiles and clothing, fishery subsidies, trade and the environment, GATS, TRIPs, services,

domestic policy implications of WTO and regional trade arrangements, WTO accession issues, trade remedies, trade dispute settlement cases, and trade negotiation techniques.

Trade and development approach to programming

CTPL delivers trade policy training, technical assistance, and capacity development programs to developing countries and transition economies around the world. Through a unique blend of government experience, academic perspective, and private sector expertise, CTPL prepares these countries to take advantage of their rights in trade agreements while fulfilling their obligations. CTPL programs assist developing countries and transition economies to strengthen institutions, increase civil society participation in policy-making processes, actively participate in WTO and bilateral/regional trade negotiations and formulate trade policies that make sense from a development perspective.

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