

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	REGIONAL/CAN - Andean Group
▪ TC Name:	Information Systems and Policy Dialogue on Rules of Origin and Non-Tariff Measures
▪ TC Number:	RG-T3258
▪ Team Leader/Members:	HARRIS, JEREMY TYLER (INT/INT) Team Leader; PLAZAS MONTANA, MARIA DEL ROSARIO (INT/INT); HENNIG, BETINA TIRELLI (LEG/LEG); AN, KYUNGJO (INT/INT).
▪ Taxonomy:	Research and Dissemination
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	24 Apr 2018
▪ Beneficiary:	LAC
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	\$ 550,000.00
▪ Local counterpart funding:	\$ 0.00
▪ Disbursement period:	24 months
▪ Types of consultants:	Firms
▪ Prepared by Unit:	Integration & Trade
▪ Unit of Disbursement Responsibility:	Integration & Trade
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Economic integration

II. Objective and Justification

- 2.1 The objective of the cooperation is to support informed policy dialogue on architectural issues of regional trade agreements through the compilation of databases, development of information dissemination systems, online capacity building for policy makers and RTA users, and in-person meetings of experts and policymakers, to promote better design of integration agreements among countries.
- 2.2 Rules of Origin. The proliferation of free trade agreements (FTAs) has brought this policy discipline to the forefront. With over 80% of intra-regional trade of IDB borrowing member countries taking place between countries with an FTA in force, and a high share of regional exports going to FTA partners, the need to apply the rules of origin (RoO) in every one of these transactions to determine the applicable tariffs makes greater knowledge of how RoO function, and easier access to the established rules, vital to more efficient trade. The RoO knowledge developed at the IDB, along with the databases in the INTrade system, are uniquely capable of contributing to filling this knowledge gap. The IDB has established the capability to provide capacity building and data on rules of origin and has demonstrated this capability over the years to become a key point of reference in the region on the topic. This TC will leverage this capability to provide better and modernized services to the region. Non-Tariff Measures (NTMs). NTMs represent a concept that covers a wide variety of requirements that governments impose on imported goods in order to allow them to be sold in their countries. In the case of food and feed products, these are generally referred to as Sanitary and Phytosanitary requirements, while for manufactures they are Technical Requirements. Despite numerous efforts of different multilateral organizations over the years, there are very few existing databases of NTMs that are up to date and useful to private sector actors, and none that cover trade within Latin America and the Caribbean. The IDB has

begun a project to develop a data base of NTMs applicable to intra-regional trade. The initial pilot project is advancing and has attracted interest from several trade promotion organizations within the region. This TC will partially be used to support the expansion of the pilot project once the existing funding is exhausted, with an emphasis on NTMs applicable to trans-Pacific trade.

III. Description of Activities and Outputs

- 3.1 Component 1: Rules of Origin Capacity Building Component 2: Rules of Origin and NTM Information Systems Component 3: High-Level Policy Dialogue on Regional Trade Agreements.
- 3.2 **Component I: Rules of Origin Capacity Building.** Update RoO online course materials, carry out new online courses, and organize and carry out a capacity building course in Korea.
- 3.3 **Component II: Rules of Origin and NTM Information Systems.** Update coverage of RoO database, add functionalities to online analysis tools for RoO, include Asian NTMs, translate NTM tool into Korean.
- 3.4 **Component III: High-Level Policy Dialogue on Regional Trade Agreements.** Facilitate dialogue in the RTA Exchange and IDB Origin Experts Group.

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Rules of Origin Capacity Building	\$ 205,000.00	\$ 0.00	\$ 205,000.00
Rules of Origin and NTM Information Systems	\$ 175,000.00	\$ 0.00	\$ 175,000.00
High-Level Policy Dialogue on Regional Trade Agreements	\$ 170,000.00	\$ 0.00	\$ 170,000.00

V. Executing Agency and Execution Structure

- 5.1 Bank-Executed.

VI. Project Risks and Issues

- 6.1 The main risk for this Technical Cooperation is key stakeholders will be unable to collaborate. This risk will be mitigated by early outreach and networking to secure political support for the activities.

VII. Environmental and Social Classification

- 7.1 The ESG classification for this operation is "C".